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REA PRESS DIGEST

A semi-monthly summary of press and radio items pertaining to REA

Vol. 17, No. 6

January 30, 1946

REA FACES FIGHT by THOMAS L. STOKES in Washington Daily News, Jan. 14---....
Operating under the unified command of the so-called Edison Electric Institute, the power companies are attempting to stop further appropriations for REA....to extend cheap electricity to rural farm co-operative,s...

The electric industry boasts how it can do the job, but not only is its past performance proof that it won't, but its own figures of what it plans to do in the next three years show it will not nearly finish the job.....It is known that private companies would not have done even as much as they have with the REA competition and compulsion.

Claude Wickard, REA Administrator, says the reason the private companies are fighting REA extension is so they may pick out the most profitable areas and develop them, leaving other farmers without needed service. "If we permit cream skimming of all the good territories," he said, "a lot of people are going to be left without the benefits of electricity. It is unfair and un-American to let anything occur that will deprive rural people of anything as vital as electric service."

UTILITIES IN LAST DITCH REA FIGHT, Reprint from Prairie Farmer in Cooperative Consumer, Dec. 18, 1945-----A group of private utilities has opened a last ditch fight against the REA. The object is to tie the hands of REA just at the time when electrification is going into the period of its most rapid growth. The private utility companies have chosen a double strategy. One attack says the task of electrifying the rural U. S. is almost complete and that REA therefore needs little, if any, additional money.

The other attack says REA should be denied the right to loan money to co-ops for the purpose of generating electricity. The stage was carefully set. Spokesmen for private power appeared before the federal power subcommittee of the house interstate commerce committee. Several members of this committee have in the past been unfriendly to REA.....

G. C. Neff, president of Wisconsin Power & Light Company.... has laid figures and conclusions before the joint Farm Bureau-utilities committee on which REA is not represented. Mr. Neff's figures were sent by the American Farm Bureau Federation to state Farm Bureau presidents....The purpose of the Farm Bureau-utilities committee.... is to complete the rural electrification job without duplication of effort and to provide farmers with the best service possible.....

RURAL ELECTRIFICATION, half-page ad in Texarkana Gazette, Dec. 18--by Southwestern Gas & Electric Co., Dec. 18--- In defense of its policies and critical of REA's, the private utility among other statements says, "The Company has at no time opposed any effort on the part of REA to provide electric service to unserved farmers.....We have cooperated in every way possible to supply REA cooperatives with low cost power.....Southwestern will continue to be a good neighbor. We will not "skim the cream"....We never have and never will build duplicating or "spite" lines.....

Southwestern has opposed, and will continue to vigorously oppose, the squandering of REA funds for purposes other than rural electrification....Southwestern has opposed the construction of such projects as the Ark-La high voltage transmission line..... This line does not serve one single farmer. It is 40 miles from the nearest member cooperative. Yet the cost of the line is a debt now owned by the REA farm cooperatives.....A relatively small amount of electric power is required to serve a rural cooperative. Therefore, it is a waste of money and misuse of REA funds to build expensive transmission lines or generating plants to serve this need when business companies have adequate lines.....to supply every cooperative with low cost electricity.

REA PROGRAM BEST FOR RURAL U. S., WICKARD SAYS, Atlanta Constitution, Dec. 12---Speaking before the fifth anniversary meeting of the Georgia Electric Membership Corporation, REA Administrator Claude R. Wickard states that the REA program is the best means of insuring the complete electrification of rural America with the best service at the lowest cost.....

"It is difficult for some people to see that the REA is not just another utility," he said. "Recently I was asked why I am unwilling to sit down with the heads of private utilities for the purpose of dividing territory between the REA and private utilities. I have absolutely no authority to come to any such agreement; I would not want to use such authority if it were offered me. The people themselves ought to make the choice as to how they wish to be served. I would not want to deny any group the right to own or acquire or operate facilities for their own benefit.".....

He said by Jan. 1, REA loan allotments in many states would be exhausted and that private utilities are trying to confuse the public about REA and "apparently wish to convey the impression that they have exclusive rights to all new construction of generating and transmission lines.".....

FIRST POWER-LINE PHONES IN SERVICE ON REA SYSTEM, By Dale Etter,

Post-Dispatch, Dec. 18--Rural Arkansas, where about 94 per cent of the farms were without telephone service in 1940, is now calling America and the whole world over the REA highlines.....

A conference call put through to Administrator Claude Wickard and Deputy Administrator William J. Neal at REA headquarters (St. Louis) demonstrated the fact that it is no longer necessary to string separate telephone lines to bring service to isolated rural areas. Clearly and without any fading, the electric lines which were carrying high voltage current also brought the news that for the first time the so-called carrier telephone had been put into service commercially----for use of four members of a rural electric cooperative.....

In outward appearance the equipment is much like that in general use. A small box containing electronic tubes not unlike those in table radios produces a high frequency current which carries the telephone conversation over the power wires. A device known as a "coupler" on the pole outside the customer's house, allows this carrier current to enter or leave the power lines but prevents the power current from entering the telephone instrument. Similar equipment is at the switchboard end of the power line.

Over the system, a person can call anyone on his line, on another carrier system, or any telephone line.....Much credit for the success of the new system goes to the REA Technical Standards division headed by M. M. Samuels...The need of REA co-operatives for adequate systems of communication with maintenance crews in the field helped to stimulate the work...

(Similar articles appeared in New York Tribune, Journal of Commerce, New York Times, Jonesboro Evening Sun, Electric Light and Power, Progressive Farmer, Southern Agricultural, Nashville, Tennessee, and many other publications throughout the nation.)

STATE MOVES TO SUPERVISE REA CO-OPS, Arkansas Democrat, Dec. 13----

Continuing its effort to provide electric service for all of rural Arkansas, the State Public Service Commission today issued a show-cause order proposing to place all government electric co-operatives on the same basis as private utility companies in the granting of certificates of convenience and necessity and line extension authorizations.....

The chairman of the commissions explains,".....at present the commission is unable to determine what line extensions have been built and territory allocated to the co-operatives because they have not been required to file reports.

"We are unable to determine if the allotted areas have been fully developed, and the commission intends to see that the territory is developed on the feasible basis of two customers and one prospective customer per mile," he added.....It was also brought out that the commission could investigate and correct more service complaints from rural customers if the co-ops had to file such records.....

MORE POWER TO FARMERS, by Claude Wickard in The Nation's Agriculture, Nov. 1945-----"We are just now edging up to the half-way mark of complete farm electrification.....We have traveled far since the REA was set up in 1935 when less than 11 percent of the nation's farms were electrified. But past success is merely a challenge for completion of the job as rapidly as possible.

Plans have been formulated by both REA's borrowers and commercial utilities for a construction program which will bring American agriculture truly into the electrical age.....Given adequate supplies of construction materials and labor, REA's borrowers can continue to spearhead rural electrification progress as in the last decade.....providing inspiration and leadership in the march of progress toward complete electrification.....The whole country will benefit from their achievements in bringing rural America into full enjoyment of the power age.

ELECTRICITY BOOSTS PRODUCTION, Farm & Ranch, Dec. 1945-----

"Electricity in this area has changed the whole farm picture," says Arnold J. Meurer owner and operator of a filling station, grocery store and milk receiving station at Windthorst in Archer county, Texas.

In the 1930's he concluded the farmers of his section were not doing so good because of dry seasons. He reasoned, if they were to make a decent living, they would be forced to abandon cotton and grain farming. Dairying, he decided, would be a logical solution in anticipation of which he set up a milk cooling station. But not until electricity came to Archer county did dairying on the scale he envisioned materialize.

Now, "The farmer has given up trying to raise cotton... Before electricity he didn't have time to milk and care for his land. But with electricity he can work in the fields until dark, and have the kids get the cows up and do the milking by electric lights and with electrical equipment.".....Dairy herds have been increased from 12 and 15 to 30 and 40, and other farmers plan to go into the dairy business as soon as they get co-op power, Meurer explains.

THE PRICE OF FAILURE, Electrical Dealer, Dec. 1945.....Rural electric cooperatives financed by REA loans prefer that all selling and servicing of electrically-operated farm and home equipment for their members be handled by responsible local dealers. Co-operative officials will be tempted to enter the postwar merchandising field only if dealers fail to prove that they will do a good job.....

Co-operative officials realize that unless the consumers get the equipment they need in order to earn profits on the power they use, kilowatt-hour consumption may not be maintained at a level high enough to insure financial stability of the co-operatives. For this reason, emphasizes James R. Cobb, assistant chief of the Applications and Loans Division of the REA, the merchandising and servicing problem must not be neglected. Co-operative officials are determined that their members shall have the opportunity to buy quality merchandise at reasonable prices, and that they can be assured of dependable servicing of their equipment.....

REA TO BRING INCREASE IN FARM RADIO SALES, Electrical South, December 1945...

According to the Radio Manufacturers Association, rural electrification may bring radio to 3,150,000 more farm families in the next five years and, by 1950, there may be nearly 5,500,000 new radios on American farms-----even on a one-set-per-family basis.

The prediction is based on sales estimates by manufacturers in connection with an analysis of the program of the REA which has its goal the electrification, through central station service, of every farm home in the country.

MORE ATTRACTIVE FARM LIFE AHEAD, Editorial in Grand Forks Herald, Dec. 12...

The question asked in the old song after World War I, "How You Gonna Keep 'Em Down On The Farm?" may be answered by REA..... It is obvious electricity is making farm life more attractive... electric illumination, refrigeration, electric motor in the shop.... all greatly reduce labor and enable farm folk to do many things and enjoy life as never before.

Electric and gasoline powered equipment is doing more to keep the young generation in agriculture than any other force, and the fact that more young people are planning careers on the soil is noted in the growth of the 4-H movement.

FARMERS' WIVES WANT ELECTRICITY IN KITCHEN, Wall St. Journal, Dec. 10---

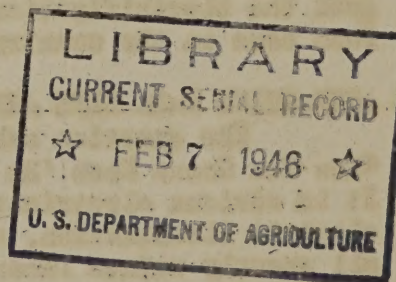
Life will be a lot pleasanter soon for the wife down on the farm. She will have electrical equipment in the kitchen and running water in the bathroom.

This is revealed in a study by the extension service of Kansas State College at Manhattan.....One-fourth of Kansas farmers already have electrified homes but this will rise to one-half by 1948, the survey shows.....The 50 per cent who now have electricity or will install it within two years will buy 30,000 refrigerators and 20,000 washing machines.....Electric pumps are also high on the list, releasing women from the age-old chore of toting water in buckets from the wind mill.....

300 MILLION PESOS FOR THE PROGRAM OF ELECTRIFICATION, El Nacional, Mexico, D. F., October 11-----

According to a recent announcement, an investment of three hundred million pesos, over a period of years, has been planned for carrying through the important program of electrification of the country.....

Confidence was expressed by the chief clerk of the National Economy, L. E. Monterrubio, that private companies operating utilities in order to make profit will assist in the undertaking, improving or increasing their installations without raising prices. Mexico hopes to nationalize this outstanding industry.



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REA PRESS DIGEST

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THE RURAL ELECTRIFICATION JOB REMAINING TO BE DONE, By Claude R. Wickard in Public Utilities Fortnightly, Jan. 31-- More than three million American farms have not yet been reached by electric power lines. The REA is hearing from the people on these farms by the tens of thousands They are of one voice: They want electricity immediately.

The utility industry....in discussing rural electrification has selected statistics designed to prove that the utilities have done such a splendid job that it is not necessary for the Congress to appropriate or authorize anymore loan funds for rural electrification.....

REA will continue to base its estimates of future requirements on the current demands of rural people who want service. We believe our borrowers are better qualified than anybody else to provide the basis for such estimates. They are already operating nearly 450,000 miles of distribution line that reach into more than two-thirds of all the countries in the United States..... They know the people out past the end of the lines, at the fork of the creek, and back in the hills. They think and talk in terms of living persons, potential consumers already counted, instead of basing plans on intricate statistical manipulations.

The fact that hundreds of thousands of rural families are claiming REA assistance disproves any thesis that REA's part of the rural electrification program is completed. Acceptance by the utility industry of the plainly stated facts of the Rural Electrification Act would help to provide a solid basis for cooperation between power companies and REA cooperatives in achieving the first objective, electrifying rural America.

EXTENSION OF REMARKS OF HON. HUGH BUTLER, Congressional Record, Jan. 30---- I do not believe it will be too hard to get more-or-less the kind of REA program out of Congress that we want. This is because the REA program has been, without question, an outstanding successful program ever since it started. It has pushed ahead systematically and energetically on its job of bringing electricity to thousands and millions of farm families all over the Nation, and in Nebraska alone it has more than tripled the number of Nebraska farms having central station electric service. It has justified all the claims of its friends by keeping on an absolutely sound financial basis.....

There may be a few arguments about exactly how much we appropriate and authorize, and about whether we authorize it for next year instead of the year after, and so on, but one way or another I am sure in my own mind that just so long as you show you can use it as well as you have in the past, Congress will make the necessary funds available. I believe you can count on that.....

FLORIDA USES ALL BUDGETED REA FUNDS, Florida Times-Union, Jan. 16---...When the state started its program in 1935, REA estimated it had only 6,000 electrified farms. Those, plus the 16,000 connected since and the estimated 8,000 to be connected this year will bring its total to 30,000....As of Jan. 1, Florida borrowers...had received....the full amount the state would get from the 1945-46 appropriation. (Similar stories about other states appeared in

Mankato((Minn.)) Free Press; Des Moines Register; Omaha World Herald; Minneapolis Tribune; and many other papers.)

TAXING OF "CO-OPS" TO BE EXPLORED, by John P. Callahan, New York Times, Jan. 2----

In Washington the subject of taxing co-ops is considered a "hot potato", one which constituents who are members of co-operatives will watch closely....

One industry that has displayed grave concern with the expansion of the co-ops is the nation's \$13,000,000,000 electric light and power industry.... Considering the hundreds of REA electric co-ops an open threat to free enterprise, the industry observes with alarm plans for increasing electric co-operatives with REA funds.

RESOLUTIONS OF JASPER COUNTY, (IA.) FARM BUREAU, Congressional Record, Jan. 15, in remarks of Hon. Karl M. LeCompte; "We endorse the continued expansion of the activities of the REA as a means toward our ultimate goal--Electricity for every farm home.

"We further believe that REA lines, since they are not operated for profit, should not bear the same tax rates as utility lines which are operated for profit. We also believe that co-operatives should be encouraged and that savings made by co-ops belong to the patrons and should not be subject to corporation income taxes."

TEXAS CO-OPS SUBJECT TO TAXES, Electrical South, January, Austin, Texas-----

Ad valorem taxes can be assessed against electric co-operative organizations, the Attorney General held in an opinion issued recently, which affects more than 70 such organizations in Texas. The Attorney General held that the fact the REA, an agency of the Federal Government, is holder of a deed of trust on properties of such a corporation, cannot enter into consideration of laws exempting governmental agencies from taxation because REA holds no more than the naked legal title while the equitable title, the use, remains in the co-operative. The only tax from which such organizations are exempt is the excise tax, he states.

"CO-OPS" AND PUBLIC FUNDS, Wall St. Journal, Jan. 18---Referring to the recent ruling laid down by the Missouri Supreme Court relative to the Sho-Me Cooperative case, the Journal comments, "Apparently it was the fact that the cooperative in question undertook to serve the general public, including persons who were not members of any of the cooperative groups, which led the court to declare that it had gone beyond its legally authorized purposes.

"If these combining cooperatives can cure the legal disability here indicated by incorporating under the state's general business incorporation law, one would suppose that they then would become subject to regulation as a public utility, as well as to state and federal taxation."

REA REFUSES LOVELL REQUEST, Portland (Me.) Press Herald, Jan. 4---REA officials report that utilities have so many electric distribution lines in the Lovell area that it would not be possible for REA to establish a co-operative to succeed there.

SURVEY ASKED ON NIOBRARA, Omaha World Herald, Jan. 9----Cattle has become a secondary topic in the Sand Hills country. The primary subject is water.... With irrigation they could raise the grain and proteins to establish a cattle feeding industry next door to the ranches producing feeder cattle.... It is pointed out that REA surveys show 2,000 potential users of electric energy in the territory.... Irrigation and power development...can be achieved through reservoir storage of the Niobrara's water.

Electrical South, Jan. 1946 carries an item about the directors of the Arkansas Power & Light Company approving a \$20,000,000 expansion program of which more than \$5,000,000 would be spent on new rural lines to increase the company's farm customers from 25,000 to 50,000.....

Other items in the same publication: Caddo Electric, "already the largest REA co-op in Oklahoma," votes to increase its debt limit from the present \$1,500,000 to \$7,500,000....A total of 1,500 applications for new lines are now on file and four construction units are now operating.

The Tennessee Valley area, with its low TVA electric power rates, should have 10,000 electrically heated homes within the next five years, it was stated before a recent meeting of the Tennessee Electrical Contractors Association.

ITEMS OF INTEREST TO THE STAFF

CHARM by columnist Thomas L. Stokes, Washington News, Jan. 2---The voice of electrical companies purrs over the radio telling that the great battle is still on to check further attempts....to extend REA--that brought electric power to so many farmers, the "yardstick" operation that compelled private operators to reduce rates....Rates are lower. The voice on the radio told how electricity is getting cheaper. It didn't, of course, admit why.

SOUTHERN COOPERATIVE GETS POWER LINE O.K., Baltimore Sun, Jan. 5--More residents of southern Maryland are going to get electric current....An allocation provides for 20 miles of electric line....(Similar articles in Clarksburg (W. Va.) Exponent, Denver Post, Fargo (N. D.) Forum, Minneapolis Tribune, Topeka Capital.)

BACK TO WINDMILLS by A. Leydenfrost, American Weekly, Jan. 13--An article about super-duper windmills of the "Atomic Age" designed according to latest principles of aero-dynamics, a single wind-driven generator can supply 10,000 homes with electricity.....

FILMS INCREASE EDUCATION, Wall St. Journal, Jan. 21---There's a thin line between advertising and educational pictures. Raphael Wolfe Studios, Hollywood, for example, regards its animated "Magic of Fluorescence, Principle of Electricity," and a series on rural electrification it is doing for General Electric Co., as "sponsored educational films". These and many others limit their advertising to subtle glimpses of the sponsor's product. Schools are eager for such pictures.

WALWORTH-CAMPBELL REA LINE MAPPED OUT, Argus-Leader, Jan. 14---County Agent James S. Hopkins, who is assisting with promotion of the rural electrification program in the Walworth-Campbell section, says work of mapping out the lines to serve nearly 800 families is expected to get under way soon.

PREDICTS FIVE-FOLD INCREASE IN RURAL POWER DEMAND, Des Moines Register, Jan. 11---The builders of Iowa's rural electric cooperatives did not dream their work would prove so popular. "The load on the lines is going to be five times what was originally planned," declared O. J. Grau, president of the Iowa Rural Electric Cooperatives Association....Grau said 9,000 new co-op members have electrified their farms in the last year. Private power companies brought electric service to still other farms for the first time, he said.

REA TO RESUME STATE PROGRAM, News and Observer (N.C.), Jan. 18---The Rural Electrification Authority's state program....has definite plans to construct 15,000 and 20,000 miles of new power lines this year. Barriers to consummation of this aim include a dearth of electrical contractors and the availability of material.

POWER-LINE VOICE, Business Week, Dec. 22---....If the feasibility of (the carrier telephone) extending phone service is demonstrated, it will be of considerable importance as 2,750,000 farm families are already being served by power lines.....The carrier system, however, is just now emerging from the laboratory stage....Costs will have to be whittled down considerably before any commercial applications can be made.

RURAL CARRIER PHONE PROJECT APPROACHES COMMERCIAL STAGE, Electric Light and Power, Jan. 1946---Commenting on the recent REA-Bell Telephone carrier test made in Arkansas, the magazine article states, "Carrier transmitter-receiver equipments are connected to the rural power line through coupling capacitors at each subscriber location and at the central switchboard.....Among the engineering problems involved are those of preventing interference between carrier and power frequency currents and elimination of reflections from branch lines. It is also necessary to assure safety of users and maintenance personnel."

MOST STATE FARMS USE ELECTRICITY, Baltimore Sun, Jan. 15---About two-thirds of Maryland's farms are equipped with electricity, says A. V. Krewatch, specialist in agricultural engineering at the University of Maryland.... One of the few items of cost for the farmer that has been reduced are electric rates.....

"Domestic use helps improve the standard of living, improve health facilities, provide educational opportunities by saving time and making homes comfortable, and reduces home drudgeries. That use alone, with production uses, will be more essential on farms these next five years than ever before as farm labor is short....."

BACK TO THE FARM, Salina (Kans.) Journal, Jan. 11---Nothing in recent years has been quite as sensible as the back-to-the-farm movement which seems to be sprouting.....With rural electrification and improved secondary roads systems coming up over the horizon, the poet who sang "a farmer's life is the life for me" has something.

ELECTRICAL EQUIPMENT, Wall Street Journal, Jan. 2---Makers of electrical appliances and radio enter 1946 bogged down by difficulties. Production..... is limping along at only a fraction of what the industry had expected to be turning out. Major obstacles are lack of materials and parts and price control.....suppliers claim ceiling prices are unprofitable.

ATTACK LOOMING ON IVES GROUP, Times (Watertown) N. Y., Jan. 9---One of the points on the program of the Ives Commission, a body set up by Gov. Dewey, calls for "...extension of rural electrification" in connection with improvement of rural education and health services.

RETURN TO FARMS, Denver Post, Jan. 4---...The best way to get people out of crowded cities and back to farms is to make farm life attractive. Give them central heating plants, indoor plumbing, electricity---the comforts of city life.....The REA has done much along this line, but it hasn't done all it can. Rates are still too high. The farmer can't afford to pay 10 cents a kilowatt for electricity.

REA PRESS DIGEST

A semi-monthly summary of press items pertinent to REA

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Vol. IV

March 1, 1946

ITEMS OF VALUE TO THE STAFF

REA MUST STAY ON THE JOB, Editorial in Prairie Farmer, Dec. 22---Revival of the fight against REA, as disclosed in the last issue of Prairie Farmer, came as a surprise to most persons. They thought the issue had been settled long ago. The right of farmers to organize cooperatives for electrification seemed beyond question.

But a powerful group of utilities apparently is determined to fight to the last. Utility executives who feel bitterly about REA might be interested in the situation in northern Illinois where there is not a single mile of REA lines. Three utilities serving this territory have a long and successful record of rural electrification.

Britton I. Budd, president of the Public Service Company of Northern Illinois, was a pioneer in the field. He took electricity to farms at a time when most utility executives thought it could never be done profitably. It is a plain truth that if every utility had followed the lead of Britton I. Budd, there would be no REA today.

In the face of the record of most utilities, we look with skepticism on their present claim that the job of rural electrification is almost done and that REA needs little---if any---more money to loan to cooperatives. According to the latest official figures, rural Illinois is 52.9% electrified; rural Wisconsin, 57.1%; rural Indiana, 68%; rural Michigan, 80.5%.

These are wartime figures. Many cooperatives are now receiving loans and much work has been contracted for. But we still doubt that the electrification is as near done as some utilities are claiming.

The utilities fighting REA have centered the attack on the few loans which have been granted for generating plants. They figure that they might talk Congress into prohibiting such loans where they would not stand a chance to halt additional distributing co-ops. So they say, "REA doesn't need any more money for distributing co-ops. If it asks any more money for this purpose, it is trying to fool you. Its real purpose is to finance generating plants in competition with established companies."

If this argument clicks, the utilities will have won their battle. REA loans will have to cease. The utilities will relax. Their present zeal to serve rural areas will evaporate. Millions of farmers once more will be pleading vainly for electricity.

REA MEETING ATTACKS IDAHO POWER ACTION, Boise (Idaho) Statesman, Jan. 26---Now that Idaho is on the threshold of a new economy that will come into being when new public power is made available, the Idaho Power company is charged with attempting to acquire rural cooperative systems to which in the past they have refused service.....

Delegates from nine rural electric cooperative adopted resolution designed to repress this trend, declaring that the Power company's policy of attempting to buy cooperatives does not "reflect a great new concern for the welfare of the Idaho farmer."

A spokesman for the utility company asserts, "Idaho Power company has met the power requirements of this whole area, agricultural included, and we intend to do so in the future. We are perfectly willing to stand before the public on our record."

If this argument clicks, the utilities will have won their battle. REA loans will have to cease. The utilities will relax. Their present zeal to serve rural areas will evaporate. Millions of farmers once more will be pleading vainly for electricity.

CO-OPS FAVOR SOUTHWEST POWER PLAN, Arkansas Democrat, Jan. 27-----In its annual session the Arkansas State Electric Co-op Corporation adopted a resolution favoring the proposed Southwestern Power Administration, a plan recommended in President Truman's budget message as something which would help low-priced power in Arkansas in the immediate future.....It proposes the transmission and distribution of power to electric co-ops and municipal plants in Arkansas.

"This," declared a spokesman, "will give the state co-ops a source of power for which we have been working a long time. Under this plan we can serve our consumers with a farm load or any other industrial load above 40 horsepower without being penalized by the power companies for serving such a load."

REA EXPANSION TO OPEN UP JOBS, WICKARD SHOWS, Atlanta Constitution, Jan. 28---
In making a job opportunity forecast in his REA report to the Secretary of Agriculture, Administrator Claude R. Wickard points out, "The entire nation will benefit from this program. Jobs will be available for veterans and war workers in rural regions building power lines, cutting poles, in mines and in transportation. Men and women will find employment in factories making freezers, motors, lamps, chick brooders, ranges, milking machines, conductors, line hardware, radio, and all the hundreds of other types of equipment which our farmers and rural electric systems will buy. Retail merchants, salesmen, servicemen, and linemen will also find steady jobs from this work."

(Similar stories in many other papers.)

OPPORTUNITIES IN ELECTRIC APPLIANCES, Forbes, Feb. 15---Rural electric expansion, held in a state of suspended animation during the war, will eventually double the number of farm homes served.....This means that power consumers will be looking for a large number of new appliances to improve their way of life. Somebody is going to sell them and some body else is going to service them....

The number of employment and business opportunities in this field is legion. Every town of county-seat size should be able to support at least one electric supply and home appliance business. Many farming sections can support dealer and service businesses catering directly to the farmer..... Complete information can be obtained from..... REA headquarters in Washington, D. C.

SUPPORT FOR CO-OPS, Editorial reprint from "The Budget" in Manitoba Co-operator, Feb. 1---- In defending co-operatives against income tax exemption, Clinton P. Anderson said in an address before the Nat'l Council of Farmer Cooperatives meeting in Chicago, "Co-operatives actually represent groups of farmers acting together for the purpose of carrying on their individual free enterprises more efficiently for individual profit. Shorn of all technicalities, it is this basic purpose that free co-operatives from income taxes, if they return to members and patrons the savings that may be able to make in the transaction of business for their members and patrons.

"Obviously, such returns are a part of the income of the individual enterpriser, the farmer, and as such are subject to taxes as part of his income. It should be made clear that the farmer in this respect is in exactly the same position as the independents, business man or partner; he pays taxes on his income including any savings he received through co-operation."

STRIDES MADE ELECTRIFYING STATE FARMS, World Herald, Jan. 26---...."For those of us who have had a dream of electric power in every farm home, we can begin to see daylight ahead", Sen. Hugh Butler said before the annual convention of the Nebraska Association of Rural Public Power Districts which both he and REA Administrator Claude R. Wickard attended.....

He predicted that the Congress will approve appropriations and set up loan authorizations "on favorable and liberal terms". He urged REA officials to build up their surpluses, pay off debts, build up properties and prepare, "so that if the storm should come, you can ride it through".....

Administrator Wickard added, "The benefits of electricity can be taken to every rural home in America if we have sufficient vision and courage."

THE CARRIER PHONE ARRIVES---VIA REA, By Wm. B. Whichard in Atlantic Monthly Jan. 3-----Carrier telephone, which send conversation "hitchhiking" over ordinary electric power lines, are undergoing tests.....that may fix their value in future plans to extend telephone service in farm areas....The carrier circuit transmits speech by means of radio frequency. Electronic transmitting and receiving equipment is installed at the switchboard and at the subscribers end of the power lines which carry the radio frequency current.....

The tests, being conducted jointly by the Southwestern Bell Telephone Company and the REA, are by no means the first field trails of carrier facilities.....Experiments with carrier equipment began several years before the war. REA originally interested only in finding a means of communication between power maintenance crews and their home offices, joined in the search in 1939.....But the war put brakes on further trials.....

In resuming and continuing its activity in carrier advancement, REA Administrator Wickard says, "REA and its borrowers will be glad to.....cooperate with the telephone industry in its work on carrier telephone. We look forward to the larger opportunity for rural service which is promised in this development. The worth of REA-financed rural electric systems to the nation will be increased immeasurably if the same lines which have brought the blessings of electric light and power to rural homes can also be used efficiently to link those homes together in the nation's great telephone network."

(Other telephone stories appeared in the New York World-Telegram, Great Falls Tribune, Electrical South, and other papers and periodicals.)

ITEMS OF INTEREST TO THE STAFF

ARKANSAS POWER PLANS \$20,000,000 EXPANSION, Electrical World, Jan. 5---....Included in the Arkansas Power & Light Company's \$20,000,000 expansion program are: new transmission lines; more than 3,500 miles of new rural lines; continued rate studies toward further reductions; creation of an industrial development department to work with various agencies....; and creation of an agricultural development department working with farm agencies...for improved planting, harvesting, and marketing methods.

CONDEMNS U. S. UTILITY CONTROL PROGRAM, Electric Light & Power, January---Warning utility investors to "ward off Federal encroachment", speakers at a recent utility forum held at Chicago condemned government ownership and control of privately-owned utilities.

TWO SIMPLE DEVICES, pictures of motor table and motor-toter appear in The Farmer, February 2; with underlines referring to REA.

RURAL ELECTRIC LINE IS DELAYED, Wilmington, Del., News, Feb. 13---....Prices for installing the transmission system being entirely out of line and much too high for Dover to build, rural extension will be postponed until the market becomes easier even though many farm homes have already been wired in preparation for the service the new lines were to serve.

PROSPECTS FOR RURAL ELECTRIFICATION, Information Bulletin, Embassy of USSR, Feb. 5-- -Rural electrification (in Russia) is due to take huge strides in the coming five years....According to the Five-Year-Plan, some 15 thousand small hydro electric stations and 9 thousand steam power plants are to be built in rural districts to provide electricity both for production and for farmers' homes....All tsarist Russia could boast of were some 80 rural power stations which supplied electricity to manorial estates.....

To guide the rural electrification development, the Soviet Government set up a special rural electrification administration at the People's Commissariat of Agriculture of the USSR. This administration, with offices in every region and republic in the USSR, prospects possible sites; helps collective farmers to draw up plans for small power stations; guides their construction; and aids in the assembly of the power equipment and in its operation.

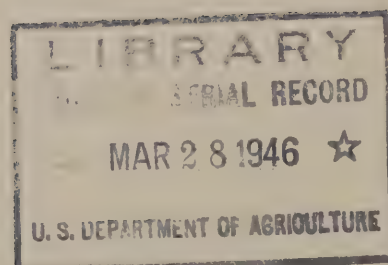
FARM POWER CO-OPS PLAN TO DOUBLE RANKS IN STATE, Nashville Tennessean, Feb. 8-- (Other articles pointing to increased growth among rural electric co-operatives appear in Oregon Journal, Sioux Falls Argus Leader, Omaha World Herald, and others.)

HIGHLIGHTS: From February 15th issue of Congressional Digest---House agreed to committee amendment to authorize REA to borrow \$100,000,000 from RFC....Also extension of remarks of Rep. Hagen, Minn., proposing REA loans for individual farm electric plants where there are too few farms to justify extension of power lines....From metropolitan and county paper alike, editorials such as the following are appearing: REA ON THE MARCH, Scurry County Lines, Snyder, Texas, Feb. 7-----Rural electrification with results of better light, conveniences of the city home, and a great big chunk of just pure "solid enjoyment" is really on the march; and well it is that farm families take advantage of this life-line to rural independence and freedom.

We are rapidly approaching the day when the farm home will be more attractive and inviting than the town home....when living "in the country" implies the highest rung in civilization. We are gradually.....making the farm and ranch an "extension of our towns".

NEW FARM ERA, New York Times, Jan. 27----.....Present trends suggest that farming will grow increasingly popular. Young people are attracted to population centers where....various living advantages seem more attractive than farm life....Modern science will help to eliminate this notion. At the present time approximately 40% of the nation's six million farms have electric power, but both public and private utilities are planning widespread expansion of power lines.

ELECTRIC SERVICE HELD UP BY POLE SHORTAGE, Arkansas Democrat, Jan. 27--Harold A. Howell, Arkansas extension forester, believes the state's farm woodlands and oil-field stands are fruitful sources of the 30- and 35- foot poles so urgently needed to meet the demands of REA and public utilities.



REA PRESS DIGEST

A semi-monthly summary of press items pertinent to REA

Vol. IV, No. 9

April 1, 1946

ITEMS OF VALUE TO THE STAFF

WICKARD ASSERTS BILL TO RESTRICT REA LOANS WOULD CRIPPLE PROGRAM, Post-Dispatch, St. Louis, March 19---Restrictions on lending authority of the REA, contained in a pending amendment to the REA Act and favored by the private utility interests, would "seriously cripple" the rural electrification program, Administrator Claude R. Wickard said today.

Testifying before the House Interstate and Foreign Commerce Committee, Wickard said that provisions of the amendment "will be seen to be, in practical effect, prohibitions against virtually all loans for generation and transmission facilities and for the acquisition of existing electrical facilities".....

Wickard pointed out that the proposed amendments would impose on groups of farmers seeking loans through REA "additional regulatory burdens which the state legislatures have not seen fit to impose...upon any electrical enterprise," and that electrical enterprises financed by other means, public or private, would not be subject to these burdens.....

The principal amendment opposed by Wickard would forbid the REA to make loans to buy electrical facilities if the facilities serve cities of more than 1500 population or, in the case of communities with less than 1500, unless the majority voted for such purchase. Wickard said the amendment would "make it impossible for REA co-operatives to acquire any system unless it was certified that every crossroads within the system wanted it. If the system included a hamlet of 12 families, seven could block the whole thing, and the private utility could get it."

(Similar articles in Pittsburgh Post-Gazette, Washington News, Minneapolis Star Journal and many other papers.

THE UTILITY LOBBY IN WASHINGTON, editorial in Times, Watertown, N. Y.----Speaker Sam Rayburn of the house of representatives told members of the house yesterday that Washington had been seething with utility lobbyists for the past six months. "If they want another fight with me", he added, "I am ready for them."

Rayburn said the lobbyists were in Washington specifically to try to beat the rural electrification program....His forthright position on the development of public power has been recognized for a long time....His fellow citizens up and down the country can be assured that he will do everything within his power to banish the utility lobbyists from the capitol and from Washington...

(Similar editorials in Sacramento Bee, Chicago Sun, Times-Herald (Dallas), Arkansas Democrat, Detroit Free Press, Nashville Tennessean, Hartford Courant, and other papers.)

THE KILOWATTS TAKE OVER by Hickman Powell in Country Gentleman, April 1946----

"The quiet little kwh has sneaked up on us.... Nine years ago, complaining then about the company's minimum rate, we would have laughed at the prediction of using 500 kilowatt hours a month. But the fantastic thought has become a reality...Electricity...quickly becomes a habit....We are not on the verge of a great postwar electrical revolution in farming--- we are right in the midst of it.....

Out of all the reports, plans prognostications and statistics, one violent fact stands out: American farmers are using four times as much REA power as they did in 1941....And still the kwh---like a small boy who is suddenly half grown and doing more chores than we realize---quietly takes over more and more of the dirty work.....

Put your finger down almost anywhere in the Corn Belt and you will find....cases like William Varel who farms 190 acres, has 60 hogs, 500 chickens, and milks 15 cows. "I haven't had any help during the war, except electricity. All four of my hired men went to the Army,... And do you know what all that electric power costs me? Only \$110 to \$120 a year. It used to cost more than that for a hired man's time, just to water the cattle..... Varel..has not only maintained production of his acres but has multiplied several times the productivity of his manhours....You get a bit breathless when you think what corners he and his like may be cutting with electricity in the future.....

One thing is clear. Any farm improvement, from the plow to hybrid corn, has first given a competitive advantage to those who have it first, then at last the few who didn't have it have been at a complete disadvantage. Once we have passed the half-way mark with electricity, that minority of farmers who do not have it will be at an increasing disadvantage. Electricity everywhere has become a necessity.

REA ELECTRIC POWER COOPERATIVES WARMLY SUPPORTED BY PRESIDENT TRUMAN, New York Times, March 5---President Truman pledged his full support of rural electric cooperatives in a message read at the NRECA convention.."The part which cooperatives and power districts have played in the progress of rural electrification in America during the past decade warrants a feeling of real pride. Your record of accomplishments has confounded your critics and exceeded the most optimistic predictions made in your behalf in the early days before you had proved yourselves. Millions of rural families...still do not have electricity. So long as you keep working on the task...you will have the full and active support of this nation. The Administration will provide every possible aid."

(Same story in many other papers)

WICKARD DEFENDS TAX-FREE CO-OPS, New York World-Telegram, March 21----Rural Electrification Administrator Claude R. Wickard today defended the income tax exemptions granted to co-operative enterprises. Rep. Thomas D. Winter (R., Kans.) asked Mr. Wickard if he thought it was fair for rural electrification co-operatives to be exempt from paying income taxes. "Co-operatives are not business," Mr. Wickard replied. "They are formed by people trying to make economies in the purchase of products or services.

"If three people buy a carload of fertilizer and save \$100 by the joint purchase, you could not call it a profit and they should not have to pay income taxes on it. A co-operative is the same thing."

"But when you get a whole co-operative system in the country, who's going to pay for the costs of government?" Rep. Winter demanded. "The people will be saving enough money to make more profit of their enterprises and they will have enough money to support the government," Mr. Wickard replied.

(Similar story in New York P.M. and other metropolitan papers.)

KRUG STATES VIEWS ON PUBLIC POWER POLICIES, Wall Street Journal, March 6.....He will administer the public power policies of Congress with enthusiasm. But there will be no "proselytizing and evangelizing" of local communities on the public versus private power issue. He favors a minimum of government in business on the theory that "the least government is the best government".....

He agreed, he said, that publicly-owned power should be sold first to public agencies, such as municipalities and co-operatives. "But", he emphasized, "private power in an area should not be destroyed." Mr. Krug said he supported both Government production and distribution of power. However, he indicated that local distribution should be through local governments and not by Federal Government.... "The less we have of Federal agencies telling the people what they should do, the better off we will be."

USE OF REA'S FUNDS BY UTILITY OPPOSED, New York Times, Mar. 22--Legality of the proposed use of funds of REA ... for the purchase of the Wisconsin Hydro Electric Company, a private utility, was questioned....."This is probably the most important case of this kind ever to come before the Wisconsin Public Service Commission", said G. H. Bell, attorney. "It raises the question of legality of obtaining these funds from the Federal Government."

Mr. Bell proposed that Wisconsin join other interested parties in appealing to the U. S. Attorney General to seek an injunction in Federal court against loan of REA funds to purchase the electric property of a private company. "This would amount to Federal encroachment which would weaken State control over utilities through the Public Service Commission," Bell said.

LA FOLLETTE SEES ELECTRICITY REVOLUTIONIZING FARMING, Great Falls Tribune, March 18...Electricity is bringing a new era into American agriculture, Sen. Robert M. La Follette said in an address delivered at Buffalo, N. Y. "I venture the assertion that electricity will ultimately revolutionize agriculture more than all the farm inventions of the last century combined..... It is my opinion that the availability of cheap electricity on the farm is the best possible insurance that the farmer of tomorrow will have the social and economic status to which he is entitled as a major producer in our economy.

"The family-owned and operated farm is one of the cornerstones upon which our political democracy rests. An adequate supply of electricity at reasonable rates will be an important factor in its preservation, as against corporate agriculture.....

"Electricity on the farm makes farming more profitable, reduces the drudgery of farm labor and, most important of all, makes the farm a more comfortable place for the farmer and his family to live."

WITH THE WATER SYSTEMS, Plumbing & Heating Journal, March 1946--During the war years when the demand for food has been at an all-time high, electric water systems demonstrated their value as an aid to the farmer in enabling him to produce more food at a saving in labor. This demonstration of the fact that a water system pays out in cold cash--that it is not a luxury but a valuable labor-saving device---will serve as a powerful sales stimulant in the years ahead....reason enough for water system dealers to work closely with the power companies and REA's in getting lists of prospects.....

ITEMS OF INTEREST TO THE STAFF

BELL WILL FREE PHONE PATENTS, Nashville Tennessean, Mar. 17---A royalty-free license under Bell System patents to make equipment developed by the Bell Telephone Laboratories for sending telephone conversations over rural electric power lines has been offered to manufacturers of telephone equipment in this country.....

Keith S. McHugh, vice president of the AT&T Company, said that "at the same time we shall be prepared to extend to manufacturers in this country a royalty-free license to make such power line carrier apparatus in so far as Bell System patents are involved and to sell it for use in the U. S., for the purpose of extending telephone service directly from a central office of a telephone company to the premises of its rural customers, including service line customers.".....

PRIVATE UTILITY RATES TO REA HELD EXCESSIVE, Herald Tribune, March 7---Private utilities in the northeastern states are charging REA co-operatives 50 per cent more for their power than is paid elsewhere in the nation....because in that area they purchase their power entirely from private utilities which "have no competition", W. J. Neal, deputy REA head, declared today in an address at the National Rural Electric Co-operative Association's fourth annual convention.

CONGRESSMEN URGED TO GET MORE REA, Argus-Leader, Sioux Falls, March 20---At a one day meeting of the South Dakota Rural Electrification Association it was urged that the members "return to your communities and act as a militant committee...to see that farmers win justice in power distribution, a development 30 years overdue.".....

REA PROGRESS REPORT MADE BY COMMISSION, Arkansas Democrat, Mar. 19--That the state Public Service Commission's efforts to bring increased electric service to Arkansas' rural customers are succeeding was revealed in a report...released by the commission today... A breakdown of the allocated areas shows that 63.34 per cent has been assigned to REA co-operatives, 35.99 per cent to privately owned power companies and .67 per cent to municipally owned companies.....

ONE-THIRD OF VIRGINIA'S FARMS HAVE ELECTRICITY, Roanoke Times, Mar. 23..."From these figures one can readily see that area coverage is needed to complete this great task of bringing electric power within the reach of all farms in Virginia."

REA CONVENTION PLANS REVIEWED BY REGION HEAD, Lewiston (Ida.) Tribune, Mar. 14----
About 4,000 representatives of 860 REA co-ops of the National Rural Electric Cooperative association will meet at Spokane for the 1947 annual convention.....

VIRGINIA REA REPORTS FUNDS IN SIGHT TO SERVE 10,000 MORE FARMERS, Washington Evening Star, March 7--....Virginia borrowers received REA loans of \$4,120,000 from funds available for the 1946 fiscal year. This amount, together with funds allocated but not advanced during the war years, will make it possible to increase by a third the approximately 30,000 rural consumers now served.....

(Similar article in Richmond (Va.) News Leader

ARKANSAS POWER & LIGHT WANTS TO BUY U.S. PLANT AND ARK-LA TRANSMISSION LINE, Wall Street Journal, March 4-----Arkansas Power & Light Co., has offered to buy from the Federal Government and put into private operation the Jones Mill power plant and the Ark-La transmission line....The power company is prepared to spend more than \$13 million to purchase and complete the unfinished power station and 194-mile transmission line.

ELECTRICITY ON FARMS IS SHORT COURSE TOPIC, Capital Times, Madison, Wisc., Mar. 7--
A farm electrification and barn hay drying short course will be held at the university Mar. 26-28...New electrical equipment suitable for farms will be displayed.

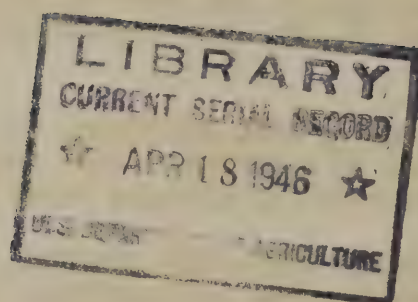
MISSOURI REA WANTS DAM IF USED FOR POWER, St. Louis Star Times, Mar. 16---Members of the Missouri RE Association were on record today in favor of the proposed Osceola dam provided it contains units for generating electrical power.

UNION ELECTRIC TO EXTEND RURAL AREA SERVICE, St. Louis Post-Dispatch, Mar. 17---
...The program includes construction, without charge to the customers, of lead-in lines from main distribution circuits to farm buildings, up to about 1500 feet. Generally speaking, the proposed extensions are not expected to conflict with activities of co-operatives connected with the Rural Electrification Administration.

CUTHBERT REA MAKES AWARD OF CONTRACT, Macon (Ga.) Telegraph, Mar. 15---Service Expands in three counties, construction amounting to 126.3 miles.

(Similar articles about local co-ops in Portland Oregonian, Raleigh News and Observer.)

MORE AND MORE ELECTRIC POWER ON FARMS, Texas Farming and Citriculture, February 1946....A highlight of the fiscal year was the action of Congress in reducing the interest rate on rural electrification loans to 2 per cent and lengthening the amortization period from 25 to 35 years. This will enable borrowers more nearly to provide full area coverage--that is, to make power available to all potential users in their territories, including consumers in isolated areas where greater per capita cost may be involved in serving them.



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REA PRESS DIGEST

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U. S. DEPARTMENT OF AGRICULTURE

A weekly summary of press items pertinent to REA

Vol. IV, No. 10

July 25, 1946

ACCEPTANCE BY COLLEGES OF UTILITY FUNDS FOR RESEARCH CRITIZED BY REA, Star-Times, St. Louis, June 12---The University of Wisconsin has accepted \$52,000, Purdue Research Foundation, \$43,000, and several other education institutions unspecified amounts from private power industry, the money to be used for research into rural electric problems.

They denied the charge of the National Rural Electric Co-operative Association that they are being subsidized by the utilities.

The utilities are calling upon cooperatives of the Rural Electrification Administration to assist in these plans, but REA Administrator Claude R. Wickard has stated that he was opposed to participation by cooperatives in research programs supplied with funds by the utility industry. Researchers should be "unhampered and uninfluenced in arriving at facts," Wickard said. There should be no suspicion, he asserted, that research by tax-supported educational institutions seek "anything else than the most efficient and effective utilization of electricity at the very minimum of cost."

WICKARD CHARGES UTILITIES THREATEN REA PROGRAM, News, Dallas, July 8----- Rural Electrification Administrator, Claude R. Wickard, charged today that a "concerted effort" by private utility groups threatened the expansion of REA-financed electric cooperatives.

In an attack before the Texas REA cooperatives, Wickard declared that private power groups were using "cream skimming" and "spite line" tactics to stymie further growth of government-financed electric programs. He branded as "Trojan horse tactic" their proposal under which farmer cooperatives would divide market areas with the companies. "The power companies," he said "are putting pressure on me and other REA officials to participate in their proposed programs. I have refused because I don't believe their program will promote our kind of rural electrification.

"We in REA want to see every farmer get electricity at the earliest possible date and at the lowest possible cost. The private utilities want the job done in a way that is most profitable to them, regardless of whether.....farmers get electricity."

(U. P. dispatch on same subject in Dallas, Austin, Sacramento, St. Louis, Omaha, Kansas City, New York papers.)

REA HOLDS ALOOF, Editorial in News, Buffalo, New York., July 9----- The apparent reason for the attacks made by the Rural Electrification Administration on the private utility industry is that it has exercised its own initiative in moving to provide electrical service to the 3,000,000 unelectrified farms in the nation. Claude R. Wickard, REA

Administrator, refused to participate in a meeting in Chicago of the American Farm Bureau Federation, and electric light and power companies to draw up plans for extension of service to rural areas.

At the present time about 3,000,000 farms are electrified, with the REA supplying 1,050,000, private companies 1,800,000, (having set up a \$300,000,000 budget to cover construction and extension of electric lines in rural areas). The rest get service from municipally-owned plants and other sources. Electrifying of the remaining 3,000,000 farms in the nation would mean a great increase in the production of foodstuffs, and it would mean a heavy demand on the production of equipment for the farmers. "While farm income is only 14% of the nation's total income--in good years or bad--it is about 25% when interpreted in terms of purchases of manufactured products." REA's cooperation with private utilities is needed to make proper provision for the farmers' requirements.

REA LOAN ALLOCATIONS SET RECORD IN PAST 12 MONTHS, Journal of Commerce, New York City, July 9-----The Rural Electrification Administration has announced that loans approved from REA loan funds available during the fiscal year ended June 30 will enable cooperatives and other borrowers to add more than 180,000 miles of power distribution lines and approximately 565,000 consumers to REA-financed rural electric systems.

REA loan approvals from 1946 funds to borrowers in 45 States and Alaska totaled \$290,468,910, the largest amount ever allocated by REA in one year. This brought the total amount of loan funds allocated by REA since its establishment in 1935 to \$815,074,759.

Distribution lines and other rural electrification facilities made possible by 1946 fiscal year loan approvals are being constructed by REA borrowers as rapidly as the supply of materials permits..... connecting consumers to their lines at the rate of about 20,000 a month during the latter part of the 1946 fiscal year.....approximating the rate of connections during the prewar peak year.

(U. P. dispatch on same subject in Wall St. Journal, and many other papers.)

FARMERS FAIL TO REALIZE ELECTRICITY'S POTENTIAL, Ladd Haystead in Fortune, July-----Although since 1935 when 11% of all farms were electrified, the percentage has increased to 50% today, only 37% of REA-connected farm homes have pressure water systems, 17% have toilets, 19% tubs and showers; less than a quarter of the farms have small motors; 5% have large motors; only 2% have electric feed grinders. The farmer has electricity, but it isn't doing the things it can and should do for him.

Claude R. Wickard, REA Administrator, in a recent article refers to a letter sent to the REA in 1935 by a group of utility executives: "...there are very few farms requiring electricity for major farm operations that are not now served. Additional rural consumers must be largely those who use electricity for household purposes."

This explains the rather slow progress in selling farmers on complete utilization of electricity, for in 1935, with the agricultural depression looking almost permanent, there was a small market for refrigerators, radios, washing machines, vacuum cleaners, electric pumps and feed grinders.

However, in normal times farmers will provide a good market for labor-saving devices. Electricity should be sold first as a cost-cutting production force, and secondly as a household aid.

"The mechanics of cost cutting have been plotted in several ways.... a farmer hard at work has an hourly personal power output of one-tenth of one horsepower. In a full day (ten hours) he will deliver only as much work as a one-horsepower motor does in one hour. If he buys that labor in manpower, he will pay \$4 and up for the day's work. If a motor does the work in an hour, the cost will be less than 4 cents.

"This may not seem so impressive if farm work is thought to be mostly field work.....analysts of farm-work routines have shown that on most farms crop production takes fewer hours than crop processing....accepted ratio sets field work at 35% of the farmer's time, barn work at 65%.field mechanization has greatly reduced crop-production costs, but.... still bigger opportunity waits at the barn." An up-to-date list of electrical services on farms would include 225 uses with additions appearing constantly. Curing hay in the mow, for instance, saves time, avoids risk of rain, and improves the quality. Fruit growers use big fans to force warm air downward over the trees. Soil heating cables are used to start seed beds. Such diverse chores as potato grading, concrete mixing and clover hulling could be done by current.

REA FINANCIALLY SUCCESSFUL IN IOWA, Courier, Waterloo, July 7-----
On April 1, 1946, Iowa REA loan approvals to 55 borrowers, of which 53 are cooperatives, totaled \$40,703,698 with \$31,040,735 advanced for construction projects, the borrowers having repaid in principal and interest \$6,722,228 on their loans. This total repayment included \$1,554,499 on principal before it was due.

An interesting story is told about the Amana Society Service Company, a REA cooperative, which in 1935 borrowed \$31,877.61 from REA, and by 1944 offered to pay off the loan in full but wanted to retain the consultative and advisory services REA gives its borrowers.

The Society solved this problem by paying all but \$150 of its loan which is not due until 1963. Now REA receives a check for \$.75 each quarter to cover the interest on the loan of \$150 and thereby retains the REA advisory service.

Before REA came to Iowa only 14.4% of all the farms in the state had electricity, but according to the census of 1940, 60.3% of the state's farms were electrified.

REA SUCCESSFUL IN INDIANA, Starr, Indianapolis, July 12-----
Rural electrification of the state is expected to be virtually completed during 1947 with the increase in the flow of materials. There are still 30,000 farm houses not serviced with electricity, but the

Indiana State-wide Rural Electric Co-operative, Incorporated, plans to extend its lines to 20,000 of these farms and estimates that private utilities will wire the other 10,000.

The rural electric cooperatives have been a success financially, with all interest and principal payments on the government loans having been met, and in some instances some of the debt having been paid before it was due.

ELECTRICITY--A BLESSING TO RURAL PEOPLE, Editorial in Telegraph, Macon, July 11---
No single thing has been done that will ultimately be of as much benefit to as many rural people in such a magnificent way as the acquisition of that one thing---electricity.

It was the late Franklin D. Roosevelt who wanted REA lines to crisscross the nation, and it was he who started the great work, the result of which is already seen in Georgia, where thousands of REA lines are already taking electricity to rural homes. During the past few weeks, several hundreds of thousands of dollars have been granted to build more lines to serve an estimated 16,500 Georgia families. Predictions have been made that ultimately every farm home in the state would have the chance of electricity.

REA CHIEF IN CONFERENCE, Star, Kansas City, July 9-----
Frank Dawes of Washington, chief of the management division of the Rural Electrification Administration attended a meeting of 200 representatives of Missouri cooperatives today at the Hotel Phillips. Means of improving management as electrification is extended over rural areas is the chief subject under discussion.

UTILITIES COMPANY TAKEN OVER BY CO-OPS, Tribune, Great Falls, Montana, July 6----
The utilities' reign of one of Shelby, Montana's oldest concerns, ended when control of the Great Northern Utilities Company was taken over by the Marias River Co-operative and the Glacier County Electric Co-operative. The cooperatives now control all electric power lines, plants, and offices in Toole and Glacier counties and natural gas facilities in Shelby.

1,000 ADDED FARMS WIRED IN 1945, Daily Times, Barre, Vermont, July 8-----
"Over 1,000 Vermont farms in 1945 were brought the benefits of electricity for the first time under an area coverage policy in rural line extension construction," Gov. Mortimer R. Proctor revealed in a speech at the seventy-fifth anniversary of Green Mountain Grange.

(U. P. dispatch on same subject in Free Press, Burlington)

RURAL ELECTRIC INSPECTIONS TO JULY 1 DOUBLE 1945 MARK, Vindicator, Youngstown, July 9---
Electrical inspections in rural sections of the Youngstown, Ohio, district to July 1 were more than double those for the same period a year ago and were nearly 50% more than those for the last half of 1945; the Electrical League of Eastern Ohio announced today.

In six months of this year, 332 applications for inspection of wiring in new homes were received by the league. The total new home inspections in 1945 was only 275.

SPOKANE UTILITY AND CO-OP MAKE RURAL LINE PACT, Electrical World, June 29-----
Announcement has been made of the arrangement by the Washington Water Power Company and the Inland Empire Rural Electric, Incorporated, to avoid duplication of power service to rural areas in eastern Washington through the building of rural power extension lines that will prove economical to both organizations.

Terming the agreement similar to "policies followed during the war when materials and labor were scarce and costly," D. I. Hopkins, president of Inland Empire, said that the organization most nearly able to extend service and provide power for the least cost will have prior rights to build extensions.....

HELM FAVORS EXPANSION OF REA, Courier-Journal, Louisville, July 7-----
Blakey Helm, candidate for the Democratic nomination for U. S. Senator, states: "I am heartily in favor of the continuation of rural electrification so, as to include every county in the state.-----

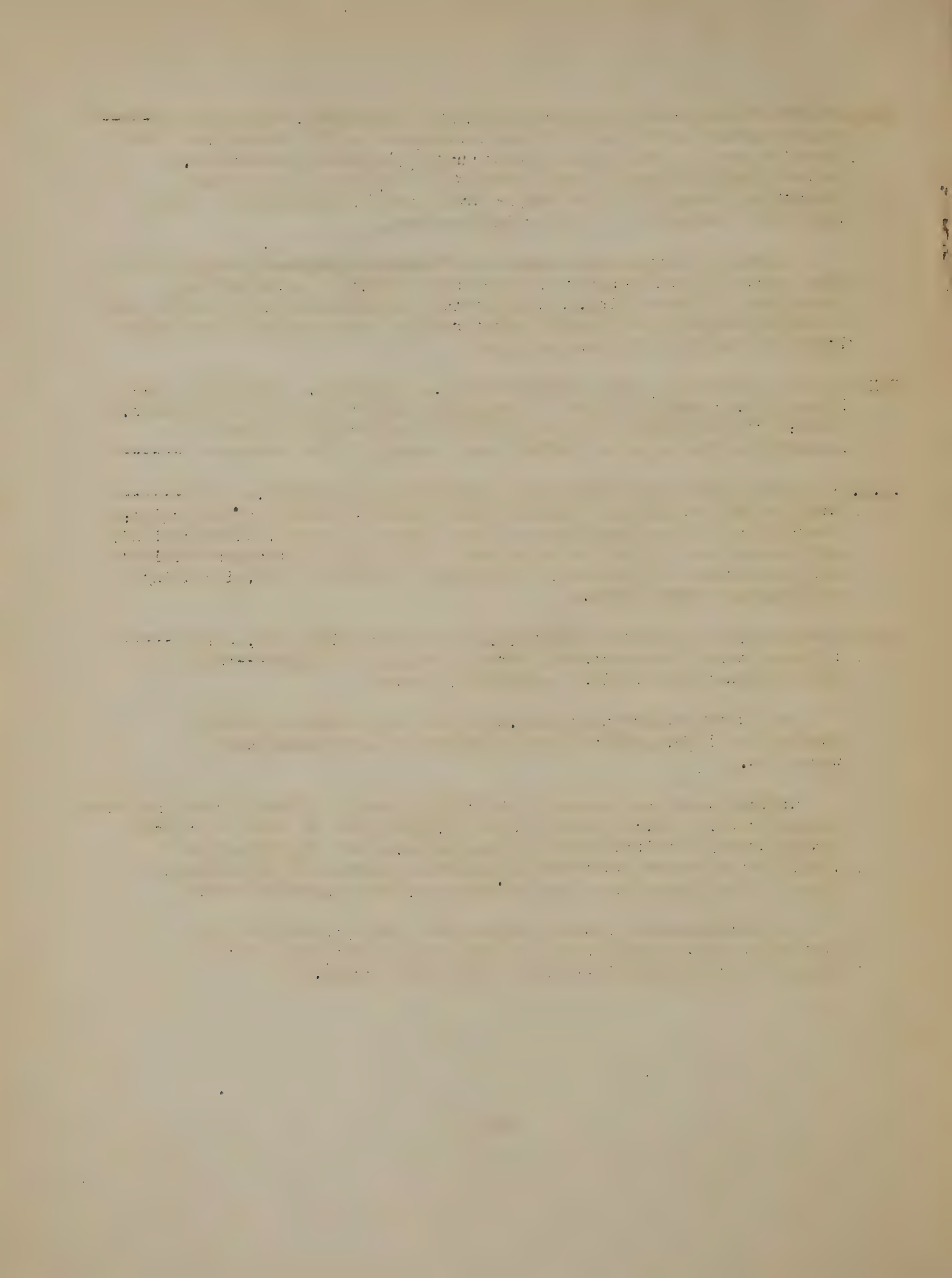
G.O.P. PLATFORM URGES REA EXTENSION, Argus-Leader, Sioux Falls, July 8-----
South Dakota Republicans in their 1946 platform adopted a plank urging: "recognition of the importance to the farmers of rural electrification", and pledged its aid in that direction, also noting "vast opportunities" in agricultural and industrial development in South Dakota, including the Missouri river program.

BATTLE OVER ELECTRIC POWER IN CONGRESS, Plain Dealer, Cleveland, July 6-----
A fierce battle over electric power is raging in Congress---the old fight between the utilities and public power.

The first postwar engagement, in the congressional session drawing to a close, went to the advocates of government-owned power lines.

Public power men pressing the fight gained: Authority from Congress to extend rural public power by \$250,000,000 more in loans to farmers through Rural Electrification Administration, and appropriation of \$7,500,000 to launce a multi-million-dollar network of transmission lines in six states under the Southwestern Power Administration.

In the immediate postwar period both public power and the privately owned utilities will extend their facilities, and gird themselves for showdown battles in the next Congress.



PRESS DIGEST

A weekly summary of press items pertinent to REA

Vol. IV, No. 11

August 1, 1946

WICKARD ON THE WAR PATH, R. N. Larkin, Washington Correspondent, in Electrical World, July 20-----Rural Electrification Administrator Claude R. Wickard, once accused by a few co-op people as being entirely too pro-private power, recently loosed two more blasts.

One of these was a communication to land-grant colleges, the other a speech before a Texas statewide co-op meeting. In both, as in earlier blasts, Wickard viewed with considerable alarm what he described as a "revival of propaganda promotional projects reminiscent of the twenties."

"Friends of rural electrification," Wickard asserted in his statement to the colleges, "will recognize in the present power company proposals a strong resemblance to the program of the late twenties conducted on a broad front and supported by an ample treasury, supplied..by the power company consumers. That program sponsored by the National Electric Light Association, known as NELA, subsidized college professors, 'inspired' textbook and newspaper publishers and writers, reached from the kindergarten to..university laboratory to exalt the electric industry. The exposure by the Federal Trade Commission of the shocking machinations of this group brought about a hiatus in this program. NELA died unmourned. But from its ashes arose E. E. I. to carry on....."

The two Wickard documents contain considerable food for thought..... In both, Wickard explained his refusal to have any part of the industry's offers of cooperation: "Neither I nor the average board of directors of an REA cooperative would or could justifiably tell farm people that, despite their wishes, they could not cooperatively own and manage their electric facilities, the same as any other essential farm service."

...Wickard has a point when he says that division of unserved territory would "arbitrarily deprive farm people of the benefits of the REA Act." There is nothing in the REA Act which allows the administrator to pick and choose as to the redipients of federal financing..

ELECTRIFICATION MEETING WILL STRESS FARM AIDS, Herald Tribune, New York, July 21-----A national farm electrification conference, designed to provide agricultural leaders, members of the electrical industry and others with information for farmers on the advantages of electrical devices on the farm, will be held in Chicago on Nov. 7 and 8, under the sponsorship of ten engineering societies, farm organizations and electrical trade associations.

The conference, which is the first of its kind, is also expected to provide a medium through which various interested groups can work jointly toward the development of better electrical farm products. Among the sponsors are the American Society of Agricultural Engineers, National Grange, National Electrical Wholesalers Association, and Agricultural Editors' Association.....

Invitations for co-sponsorship have been extended to.....
.....Rural Electrification Administration.....

BILL WOULD SAVE DISTRICTS \$600,000, World-Herald, Omaha, July 20-----
Nebraska's public power districts will save more than 600 thousand dollars a year in interest costs under a Congressional bill amendment recently approved by the Senate.....

The bill cuts interest rates for Nebraska districts from 4 to $2\frac{1}{2}$ per cent. It is attached to a bill providing for turning back of the Grand River project in Oklahoma from the Federal Government to the state with a $1\frac{1}{2}$ per cent interest reduction.

WISCONSIN POWER & LIGHT ATTORNEY FILES AGAINST CO-OP, Capital Times, Madison, Wisconsin, July 18-----William Ryan, prominent Madison utility attorney who does most of the Wisconsin Power & Light Company's legal work, has filed a brief with the state public service commission attacking the Badger Electric co-operative's application to purchase the properties of the Wisconsin Hydro Electric Company.

The brief makes a direct frontal attack on the right of any cooperative to enter the utility business. Ryan also challenged the constitutionality of the whole rural electrification act and the REA, which has agreed to loan the Badger co-op the money to finance the \$3,449,000 purchase of Hydro.

The brief states that Ryan's law firm is entering the case only as "friend of the court." The utility attorney contends that the Wisconsin legislature intended that the whole utility domain in this state should be reserved exclusively to privately-owned profit-organized utility corporations. Non-profit co-operatives which operate only for the benefit of the consumers of electricity, have no legal rights to enter the utility business, Ryan argued.

Another brief opposing sale of the Hydro properties to the co-operative has been filed by Atty. Glen H. Bell, for the village of Shell Lake and Trego township.

Floyd E. Wheeler, attorney for the co-operative, and Robert M. Rieser, attorney for the Hydro firm, filed a joint brief with the commission early this week, citing legal support for approval of the acquisition. Wheeler's brief pointed out that although no privately-owned utilities have appeared directly in the case, their interest in it and their opposition to the co-op's application have been adequately indicated.....

WISCONSIN COMMISSION TO SUBMIT RURAL ELECTRIFICATION DECISION, Rural Electrification, June-----By H. M. Schermerhorn, Editor, Wisconsin REA News-----Proponents of public power are awaiting a decision from the Wisconsin Public Service Commission. The decision will either sanction or deny the authority of REA cooperatives to join urban communities in developing a far-reaching rural electrification program,for the benefit of all electric consumers in 11 west-central Wisconsin counties.

Early last October the joint properties of the Wisconsin Hydro Electric Company and the Eastern Minnesota Power Company were placed on sale.....and bids were asked.....The bid price by Wisconsin co-ops was accepted.....

First step toward the consummation of purchase of the Wisconsin properties is approval by the State Public Service Commission. Growing out of a series of hearings before the Commission has been a bitter opposition which has been directed by Northern States Power Company (Wisconsin) whose bid for the Wisconsin properties was rejected.

Objection from several urban communities, presently served by the Wisconsin Hydro Electric Company was introduced at initial hearings on the basis of tax loss. Evidence presented by Badger's counsel, Floyd E. Wheeler, however, pointed out that co-op consumers would receive \$90,200 in initial savings benefits, based on 1945 consumption. Additional savings would net \$192,975 above all expenses, including taxes, interest and depreciation, which would be allocated or refunded to the consumers. For the \$122,000 collected under utility operation through federal and state income taxes, and federal excise tax on the sale of energy, the co-op would return to the consumers a total of over \$280,000 in the form of rate reductions and operating economies.....

The private utility forces have waged a bitter battle against co-op leaders for public power, and the decision of Wisconsin Public Service Commission is awaited in the state and across the nation.....

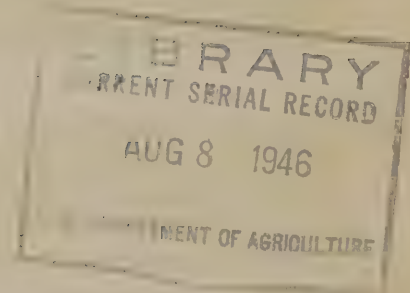
WHAT RURAL ELECTRIFICATION MEANS TO NORTH CAROLINA, David Weaver in Electrical South, July-----Rural electrification had no meaning to the farmers of North Carolina before the Rural Electrification Act of 1935 was passed. Few believed that electricity could be used for income-producing purposes.

In 1935, there were 1800 miles of rural lines serving 11,000 customers, but by 1944, this had increased to 30,000 miles of line with 100,000 users. From 437 kilowatt hours per year (a 1935 estimate)

as an average for rural customers, the average use increased to 1197 kilowatt hours according to a survey made in 1943.

Food production was increased greatly. Types of agriculture were almost completely revolutionized with the availability of heat, light and power. The number of refrigerators now in use is about five times the number estimated to be used before the rural electrification program was inaugurated.....A recent survey by a national magazine indicated that over fifty per cent of the farmers who expected to install water heating equipment in their homes plan to use electric water heaters. The swing from ordinary cooking devices to electric ranges is in full progress, and the availability of these units will set in motion a great deal of activity in sales, wiring and service.

On a national basis, a five-year program is being set up to electrify at least 3,600,000 rural dwellings.....Of all the so-called postwar programs, the rural electrification program is probably the best organized and in the best position to make immediate progress as soon as materials and men are available.....



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REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 12

August 8, 1946

POWER COMPANIES RACE REA TO FARMS, John P. Callahan, New York Times, July 28-----All hope for reconciliation of the conflict between the Rural Electrification Administration and the private power companies in their race to extend electric service to the country's 3,000,000 unelectrified farms faded last week when Claude R. Wickard, REA administrator, stressed the agency's adamant refusal to accept an offer made by the power companies to exploit the field together. "The power companies," he declared, "are not offering their programs with clean hands."

Both groups are known to be most eager to extend rural electric lines as quickly as possible to meet demands for power in the most potentially lucrative market in the history of rural electrification. Before the end of 1948, farmers throughout the nation are expected to spend more than \$500,000,000 for electric equipment on the 3,000,000 farms already electrified. Of these 3,000,000 electrified farms, 1,050,000 are REA customers, 1,800,000 are served by private utilities, and the others get their electric current from other sources.

Mr. Wickard's rejection of the industry's invitation climaxed ten years of strained relations between the two groups and served to emphasize the inevitability of continued disagreement between the private power companies and all Federal power agencies.

In its offer, the industry proposed an allocation of territory-----1,000,000 farms for the REA and about 1,300,000 for the private power companies. It was the subject of allocation that precipitated much of the controversy in the past, and the REA repeatedly has accused the industry of seeking to serve only the most profitable rural areas and leaving the unprofitable, most distant farms for the REA.

Further, Mr. Wickard contended, in about twenty states REA cooperatives are subjected to "obnoxious" dual-rate wholesale power contracts which prescribe unjustifiably higher rates and assist the power companies in their efforts to control and dominate the cooperatives by directing the disposition of the energy which they sell to them at wholesale rates.....

Despite the breach that exists between the two groups, plans for the complete electrification of rural America are going forward. The REA has a tentative three-year program which involves extension of service to 1,329,000 rural homes...As soon as materials are available, the REA will "connect" about 20,000 farms a month, and the private companies, about 30,000.

PSC HEARS CO-OP'S PLEA IN HYDRO CASE, State Journal, Madison, Wisconsin, July 25---If the federal government is willing to invest \$3,649,000 to put a Wisconsin cooperative into the utility business, it is not the function of the state Public Service Commission (PSC) to block the deal...members of the commission were told today.

The commissioners began hearing arguments on an examiner's report which advised the commission to refuse to approve the sale of the Wisconsin Hydro Electric Company to the Badger Electric Cooperative, which plans to finance the purchase by borrowing the entire purchase price from the federal government.

Examiner Calmer Browy, in his report, had advised the commission that the coop had bid more for the Hydro property than it was worth, and that borrowing the entire purchase price from the federal REA was unsound financing and that the co-op might have trouble paying the money back.

"Wisconsin's blue sky laws are for the purpose of giving reasonable protection to investors," Floyd Wheeler, attorney for the co-op admitted, "but the commission should realize that the investor in this case is not the investor designed to be protected by our laws."

"The Rural Electrification Administrator, after long investigation, has indicated he is satisfied with this investment".....

BUILDING PLANS OF UTILITY FIRMS SUFFER SETBACK, Herald Tribune, New York, July 28-----Wire, transformer and pole shortages have obstructed electric utilities to such an extent in recent months that new construction programs have been set back from six months to a year, it was indicated yesterday in a survey of the electrical supply industry.

From a quarter to a third of the new construction scheduled to be carried out with the war's end was concentrated in the rural electrification field. Improvement of central station equipment naturally has received a priority over much of this work.....but even new generating equipment is arriving slowly.

Some of the smaller wire-making plants have had to shut down in recent weeks, owing to the copper strike, but they can be expected to make rapid progress toward filling their orders as soon as their copper stocks are replenished.....

ELECTRIC FARM EQUIPMENT MAKERS IN NEW DIRECTORY, Electrical World, July 27----From "A" for animal clippers to "W" for wood splitters, ranges a directory of manufacturers of electrically operated farm equipment just off the press. Approximately 750 names and addresses of manufacturers are contained in the directory list. Household appliances are not included.

ELECTRIC WATER PUMP MARKET APPRAISED, Electrical World, July 27-----

Total potential market for electric farm pump and water systems is between 6,500,000 and 7,000,000 units, C. D. Leiter, chairman of the planning committee, National Association of Domestic and Farm Pumping Equipment and Allied Products Manufacturers, has announced.

While the desire for running water has been greatly accelerated, the facilities of the industry will be able to supply the increased demand readily, according to Leiter.

G. E. FIVE-YEAR RURAL PLAN PRESENTED, Electrical World, July 6-----

General Electric Co.'s five-year program for developing the rural market for electrical appliances and farm equipment, with an estimated \$5,000,000,000 potential, was discussed recently by George E. Mullin, manager of the farm sales division of the company's appliance and merchandising department.

Mr. Mullin stated that research has revealed farm savings totaling \$16,000,000,000, indicating average cash savings of \$2,500 for each farm family, that might be turned to improvement.

Explaining that it was expected that 5,000,000 farms would be electrified by 1950, he said that General Electric wishes to increase its 800 dealers serving rural areas to 3,000, and provide for establishment of stores combining both appliances and farm production equipment.....

VERMONT PUBLIC SERVICE REPORTS, E. C. Hathaway, Electrical World, July 6----

Dairying has been the backbone of Vermont agriculture for over 75 years, and these farms are a real market for the sale of electricity. Experience has shown that cows as well as human beings are good customers. The average consumption per person is 300 kw. hrs. per year, and a dairy cow is good for an average yearly use of 192 kw. hrs. (through usage of electrified equipment), according to studies of potential markets.

At present Vermont Public Service rates, the annual cost of electricity amounts to an average rate of 2.5 cents per kilowatt-hour.

Development of the various labor-saving devices for farm use in the last ten years is causing utility operators to become more optimistic toward expansion into rural territory. Many a farmer has learned during recent years that \$12 to \$15 worth of electricity monthly will replace a hired man that costs him much more than that in a week.

There is a sizable selling job ahead to get rural customers to install labor-saving equipment..showing the farmer how the farm net income can be increased by the intelligent application of electricity. Experience in recent years leads one to believe that this can be accomplished.

DEMOCRATIC PLATFORM URGES REA EXTENSION, Argus-Leader, Sioux Falls, July 22-----A state platform pledging all candidates to work toward the promotion of rural electrification for farm and ranch operations was adopted by the South Dakota Democratic party at its state convention here today. It also urged improvement of the Missouri river and tributaries for the multiple purpose of flood control, irrigation, power development, navigation, soil and water conservation.....

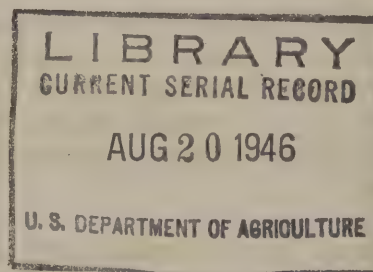
POWER FIRMS EXPLAIN STAND AGAINST SPA, Post-Dispatch, St. Louis, July 27----The National Association of Electric Companies, an organization of 108 utilities serving half the country's electric meters, has issued an explanation of its stand against the Southwestern Power Administration.

As part of the fight against SPA, electric companies operating in the Southwest have prepared a summary of their proposal to buy all power developed at Government dams and to distribute it according to their interpretation of Congressional intent. The SPA, under the flood control act of 1944, is authorized to take power at the dam and distribute it to public bodies, co-operatives and private utilities.

C. Hamilton Moses, president of the Arkansas Power & Light Co., Little Rock, one of the principal witnesses for the utilities at hearings before a House Appropriations subcommittee said that the SPA would "delay and retard rural development for an indefinite period," that it would not get cheaper electricity to more farmers and that all the areas the SPA proposes to reach already are reached and served.

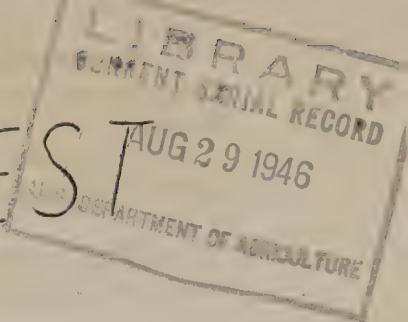
In reply to a question, he said Rural Electrification Administration cooperatives could receive as much service from existing lines as they could from the proposed system.

The electric companies' plan is to purchase all power at the dams for a price in line with Army Engineers' valuations, to give preferences in sales as required by the act and to pass on savings to all customers; taxpayers would be saved millions of dollars; maximum power benefits would be obtained; democratic free enterprise would be preserved; Government tax income would be preserved and increased, and the public would derive all benefits.



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REA PRESS DIGEST



A summary of press items pertinent to REA

Vol. IV, No. 12 *u13*

August 15, 1946

COOPERATION AT THE LOCAL LEVEL, Electrical World, July 20---On several occasions we have urged cooperation between the utility industry and REA, and we still think it can be done at the local level. Nationally, however, Administrator Wickard has refused to cooperate with the utilities in the allocation of territory on an area basis. The REA can and does exercise certain control over line construction because it is financed by loans.

With the job of line extension so near completion--another three years or less should complete it--it is too bad that the utilities and REA can not get together on the important job of putting electricity to work.

Nothing should deter the utilities from working with the co-ops in their areas...They have the same interest--neither wants these lines to be operated at a loss. And they don't need to be operated at a loss in most sections of the country if they have the right load. There should be but one program for the farmer, and that is to show him how to get the most out of his electric service, regardless of who serves him. There can always be cooperation at the local level.

WICKARD ON THE WARPATH, Electrical World, July 20---...Wickard has a point when he says that division of unserved territory would "arbitrarily deprive farm people of the benefits of the REA Act." There is nothing in the REA Act which allows the administrator to pick and choose as to the recipients of federal financing.....

ELECTRICITY ON THE FARM, Times, New York, August 5---The decision of the utility industry to launch a widespread expansion of power lines in rural areas indicates that business leaders believe an extensive market is waiting on the more than 50 per cent of the nation's 6,000,000 farms which do not have electric power. On the basis of extension surveys, the industry believes that by the end of 1948 farmers will spend more than \$500,000,000 for many kinds of electrical equipment.

Many farm leaders and many experts in farm economics and rural sociology believe that electricity is the kingpin of a better farm economy. Frank E. Watts, director of the Rural Electric Information Exchange, recently completed a seven-year study of economic aspects of the farming industry. On the basis of his research he finds that 70 cents of every farm dollar is spent on manufactured equipment, while only 40 cents of the urbanites' dollar is spent for such tangibles.

Electricity for every farm in the nation is a logical goal. It means more business for manufacturers, higher level of employment, higher standard of living for farmers plus more efficiency in many farm operations---from every angle, electricity on all the farms means a better nation.....

GLOW OF PRIDE, Tennessean, Nashville, July 31-----Cheap electricity will never go begging.

In an address to the Pennyrite Rural Electric Cooperative membership, TVA Director James Pope noted that instead of the decline of TVA power sales that was to have been expected as war demands ended, the load on the authority's generators actually has increased. Cooperatives distributing TVA power not only are continuing to meet all bond costs and operating expenses but are continuing to expand their reserves. The circumstances indicate even cheaper power in the TVA service area, where all distributors are contractually obligated to turn surplus earnings back to the consumers in lower rates.

Revenues have not fallen. They have risen. And will continue to rise as fast as new power connections can be made and new appliances become available.

The region can afford to glow with light and with pride. TVA has lived up to its promise---and there is no reason why even the humblest home should not have its comforts and conveniences as the price of electric power retreats.

RURAL ELECTRIC EXPANSION TO MEET NEED OF SOUTHWEST, Capital, Topeka, Kansas, August 1-----Expansion of the rural electric power system in Southern and Western Kansas is indicated by generation and substation plants now authorized and in prospect at McPherson, Ulysses and Meade. Other sites for similar plants are being considered.....

MISSOURI BASIN PLAN TO CAUSE STATE TO GROW, Tribune, Helena, July 25,-----B. H. Greene, regional engineer for the Federal Power Commission, estimates that the contemplated power projects in the Missouri river basin development plan would bring many new industries, employment for 200,000 additional persons in Montana, and some 750,000 new residents into the great river valley.

The three major power developments contemplated in Montana on the Missouri and its tributaries are Fort Peck, 105,000 kilowatts; Yellowtail dam on the Big Horn, 75,000 kilowatts; and Canyon Ferry, near Helena, 36,000 kilowatts.....

BONNEVILLE REGAINS LOST POWER LOAD, Spokesman-Review, Spokane, July 25-----A major step toward recovery of power load dropped through shutdown of Pacific northwest war plants has been taken with resumption of operations at the Spokane aluminum rolling mill and reduction plant, Bonneville Power Administrator said today.

The Spokane aluminum plants, leased from the War Assets Administration by the Kaiser Permanente Metals Corporation, will utilize about 250,000 kilowatts at full capacity.

(Similar articles in Electrical World, August 3.)

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REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 14

Combined issues
August 22 & 29, 1946

RURAL ELECTRIFICATION TO GO ON, Herald Tribune, New York, August 9-----
Senator Lister Hill, Democrat, of Alabama, said he was assured today by President Truman that the Administration's public works cutdown order would not seriously affect the rural electrification program.

HUGE OUTLET SEEN IN FARM MARKETS, New York Times, August 11---Manufacturers of refrigeration machinery are preparing for a broadly enlarged demand from American farmers for home freezers and frozen food cabinets, with an "immediate" market of some 300,000 units now available.....Also included are milk coolers, walk-in refrigeration units and other items.

This virtually untouched farm market results from the extension of electric current to new subscribers during a period when the refrigeration units were not available, and to the new programs for farm electrification that already are under way.

A survey by the association shows that the immediate market among Rural Electrification Administration subscribers is for 67,424 quick freeze and cold storage cabinets of twenty to twenty-five cubic feet; 13,307 quick freeze and cold storage cabinets of the walk-in type; and 43,471 milk coolers.....

Refrigeration equipment manufacturers believe that because of the important part this equipment can play in preserving farm products and raising the standards of living on the farm during off seasons, as well as allowing a more orderly marketing of some produce by the individual farmer, they are in a good position to command a large share of the half-billion dollars which farmers are likely to spend for electrical equipment before the end of 1948.

OUTLINE OF BOARD'S ACTIVITY ON STATE REA PROJECTS, Tribune, Great Falls, Montana, August 2-----At a meeting of the interagency committee held in Helena to discuss development of the land and water resources of the Missouri river basin, there was presented a brief outline of...some rural electrification projects in the Missouri river basin. There are 12 projects on which work of some nature is being carried on at the present time which will eventually serve 8770 users with the construction of approximately 5875 miles of lines at a cost of \$6,843,051.

HUGE APPLIANCE MARKET SEEN IN ELECTRICAL GAIN, Herald Tribune, August 10---- American power facilities are being expanded so rapidly and on such an unprecedented scale that manufacturers of heavy electrical equipment have set forward full production schedules well into 1949; sources close to the industry disclosed yesterday.

A record number of 800,000 homes was added to electrical lines during the first half of 1946, representing an outlay of about \$175,000,000 for equipment.

It is well to remember that each of these homes is a new electrical market in itself--virgin territory for makers of electric lamps, appliances, radios, heaters---and, in some cases, farm equipment such as water-pumping systems and milking machines.

Industry sources estimate that if the rate of 135,000 electrified homes a month is continued through this year, the 1,600,000 homes thus connected in 1946 would represent the largest number in the history of the electrical business. It would be almost twice the 836,000 connected in all of 1945.

An estimated 100,000 homes a month out of the 135,000 total are currently being electrified in so-called rural areas---a tremendous market potential for such farm-identified equipment as electrical water pumping systems to operate modern bathrooms.

After tracing the upward trend in the number of customers for electricity, as well as the increases in per capita usage due to new industrial techniques and equipment and added appliances in the home, Gwilym A. Price, president of Westinghouse Electric Corporation, said that on a per capita basis today's production of electricity is eight times that of the rest of the world.

PROGRESS CITED IN ELECTRIFICATION, Journal of Commerce, New York City, August 8-----If all agencies concerned with rural electrification continue their present rate of growth, the big job of connecting farms with electric lines is expected to be almost completed by the end of 1948, it was predicted by H. M. Sawyer, chairman of the Edison Electric Institute prize awards committee.

He indicated that the gradual easing of wartime shortages of manpower and line construction materials "is implementing the aggressive program of utilities to bring electricity to the farmer."

With farm labor costs increasing, the farmer must rely more on machinery and electric equipment to get his work done, Mr. Sawyer declared, and "the utilities, in cooperation with State universities and other agencies are developing new and better methods to apply power to farm operations."

RURAL ELECTRIC COOPERATIVE PLANS \$3,000,000 EXPANSION, Press, Evansville, Indiana---Owensboro, Kentucky, August 8-----The Green River Rural Electric Cooperative Corporation has begun a \$3,000,000 expansion program that will add many hundred miles of power lines to the system's six-county net.....

Recent increase of the corporation's debt limit from \$1,500,000 to \$4,000,000 will allow planning construction of 1800 additional miles.....

At the present time the corporation has 703 miles of line and is serving 3667 homes. Already 2790 applications are on file from areas to be served by the new lines.....

OPPONENTS OF HYDRO SALE SAYS STATE LAWS FORBID 100% FINANCING BY REA, Capital Times, Madison, Wisconsin, August 12-----The laws of Wisconsin do not permit the 100 per cent financing by the Rural Electrification Administration of the purchase of a private electric utility by a co-operative, five attorneys representing communities and businesses in northwestern Wisconsin told the state public service commission.

The attorneys presented arguments before the commission in support of a recommendation by Examiner Calmer Browy that the commission deny the application of Badger Electric cooperative to purchase the property of Wisconsin Hydro Electric Co. for \$3,449,000 to be financed in full by a REA loan.

"The sole issue in this case is whether or not proposals made by Badger are consistent with the Wisconsin statutes and lawful under those statutes", Glenn H. Bell, attorney for the village of Shell Lake and other communities said. "Once hundred per cent financing is not permitted under the law in Wisconsin".....

Floyd Wheeler, Madison, representing Badger, in rebuttal argument, said directors of the cooperative were sincerely interested in extending rural electrification to farmers and that was the reason they desired to purchase the property.

"Integration of this property and service to rural consumers and cooperatives would be a big economic advantage to all consumers," he declared.

Wheeler said the commission had permitted 100 percent financing in certain instances and could lawfully permit it in this case.

Louis Gorrin, Washington, D. C., REA counsel, told the commission that other states have approved 100 per cent financing of REA cooperatives to the tune of \$70,000,000.....

Because of the REA program 40,000 farmers in Wisconsin now have electricity who would not have received it, he declared.

"REA is satisfied as a result of this acquisition that Badger will be able to bring service to several thousands of presently unserved farmers," he stated.

\$3,500,000 SET FOR REA WORK, KEFAUVER SAYS, Times, Chattanooga, Tennessee, August 7-----The Rural Electrification Administration has set up a construction program for the Third Tennessee Congressional District that will call for an outlay of \$3,500,000 and provide for an addition of 3,500 miles of transmission lines to the rural-electrification system, Rep. Estes Kefauver announced.

Before leaving Washington recently Rep. Kefauver said that Claude Wickard, administrator of the REA, advised him the Third District has more funds for additions to its rural electric system than any other congressional district in the United States.

WEST KENTUCKY REA INCREASES BORROWING POWER, Sun-Democrat, Paducah, July 30---Members of the West Kentucky Electrification Association in a meeting here Saturday voted to extend the association's borrowing power from \$1,500,000 to \$5,000,000, a move which would enable the organization to serve every applicant now on record in the counties which the cooperative serves.....

ELECTRIFYING THE FARM, News, Saginaw, Michigan, August 7-----Of the nation's 6,000,000 farms, less than half are said to have electric power. Making electricity available to those farm families who want it thus classified as one of the really big postwar projects in this country.

The Rural Electrification Administration, which was forced into comparative inactivity during the war, has large plans on tap, but it is interesting to note that private enterprise, against which the government is competing in many instances, is making good headway in the same direction. Representatives of several power companies met recently with American Farm Bureau Federation officials and announced their intention to spend \$300,000,000 in farm service facilities in the next few years.....

Appliance manufacturers expect farmers will want \$500,000,000 worth of washing machines, radio sets, vacuum sweepers and other electrical equipment of various kinds practically as fast as it can be provided.

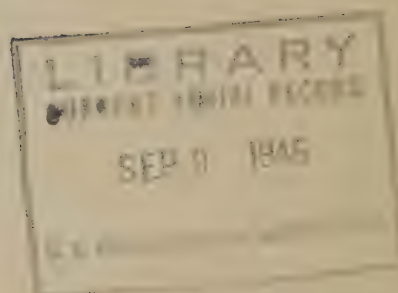
REA EXPANDS ELECTRIFICATION TO FARMS IN 25 N. D. COUNTIES, Forum, Fargo, N. D., August 15-----A big increase in rural electrification administration projects is under way in North Dakota to carry electricity to additional farms.

Records show that in 1935-----when the REA was organized----only one farm in 40 in North Dakota was connected to a rural power lines. Now, this figure has been changed to one in 10, still far below the national average of nearly one of two.....

On April 1, 1946, North Dakota REA co-ops had 3,397 miles of lines in 25 counties serving 7,304 rural consumers.....As a result

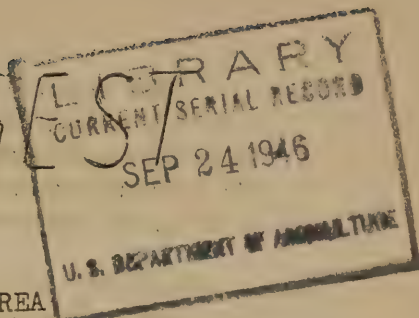
of establishing REA-financed generating and transmission facilities in the state, North Dakota power companies have now reduced their wholesale rates to REA co-operatives from 18 mills to an average of 11.6 mills.

REA LINES EXTENDED IN NORTH CAROLINA, News and Observer, Raleigh, August 19---
Seventy-five families in the eastern part of Lee and the western part of Harnett counties were happy yesterday morning when electric lights were turned on for the first time in their communities.....as seventeen miles of lines, part of 486 miles being constructed for the Central Carolina Rural Electrification Authority, were completed and put in use.....



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REA PRESS DIGEST



A summary of press items pertinent to REA

Vol. IV, No. 15

September 5 and September 12

WICKARD ATTACKS PRIVATE UTILITIES, George Eckel, New York Times, August 31--- Claude Wickard, Rural Electrification Administrator, today charged the commercial utilities industry with a series of shortcomings in the field of rural electrification and declared that only electric service cooperatives could bring electricity to all rural people at the lowest possible cost.

The former Secretary of Agriculture spoke at the final meeting of the American Institute of Cooperation at Purdue University.

Commercial power companies wanted to "confine the extension of their lines strictly to those rural territories which offer maximum return," he declared....commercial firms "show little concern about holding costs down, since they are practically on a cost-plus basis," he said. "They go to State utility commissions and show their costs and ask that their rates and their profit be established accordingly, no matter how high their cost figures may be."

Industry spokesmen had consistently "belittled" the farm electrification job since 1935, when REA was created, he asserted. Last fall they testified before Congress that "the job was nearing completion and that REA had then about enough money to do its share of the remaining job," though 6,000,000 farms had not yet been served. He added that Congress appropriated an additional \$350,000,000 to finance rural electrification.

By contrast to what he called the "cream-skimming" practice of commercial companies extending only potentially profitable services, REA cooperatives were the only agency proposing to reach all the people, on a policy of "area coverage...." he observed that public utilities were regarded as monopolies and as such were regulated by commissions in the public interest, but held that "it is hard to get at the facts about their operational costs."

REA cooperatives were "more effective than any regulation" of rates by providing competition, he said, declaring that electric rates had been reduced in some areas through the operation of cooperatives or simply the offer to form cooperatives...."That's the way to find out whether costs are as low as they can be."

REA cooperatives were "properly insistent upon maintaining their right to build their own generating facilities when necessary,"..... more than one-third of the farms getting electric service received it through cooperatives, and these groups numbered nearly 900, with 1,500,000 members.....

FARM ELECTRICITY AGAIN TO THE FORE, J. P. Callahan, New York Times, September 8-----With production the only major barrier to their race for the coveted 3,000,000 unelectrified farms in the country, the Rural Electrification Administration and the private utility industry last week were fighting vigorously for lead position through a series of speeches before farm groups in which they condemned each other on numerous counts.

Grover C. Neff, president of the industry's trade association, the Edison Electric Institute, scored the REA before a group of utility executives and equipment manufacturers...the REA co-operatives were being used to socialize the electric power industry, he claimed. "But it is my belief that the big majority of the farmers will not lend themselves to such a scheme. Anyway, we must not let the short-sighted policy of a few national leaders prevent us from doing what we know is necessary to bring about the best service to the farmers."

It was the second volley of remonstrances that the administrator of the REA has leveled at the industry in the last three months, and it indicated clearly that any future partnership overtures by the industry would meet with the same, if not stronger, rejections."

The first unsuccessful offer of the industry to work with REA for the advancement of farm electrification was made last April at a meeting of power company representatives and the American Farm Bureau Federation in Chicago. At that time it was suggested that the industry and REA share about equally in an allocation of the country's unelectrified farms, but Mr. Wickard refused to join in such a program, saying his participation would be looked upon with suspicion by many persons.....

Regardless of the breach that exists between the industry and the Federal agency, the complete electrification of rural America is under way. The REA has a tentative three-year program which involves the investment of \$568,000,000 by its borrowers and the extension of service to 1,329,000 farms and rural homes. The private power companies.. have a budget of \$300,000,000 for construction and extension of rural electric lines.

On the basis of recent surveys, the industry anticipates that \$1,000,000,000 will be spent before the close of 1951 for line construction, \$500,000,000 for wiring and about \$2,500,000,000 for electrical appliances and equipment.

DUAL-RATE POWER CONTRACTS HARM RURAL AREAS IN MISSOURI AND 12 OTHER STATES, REA SAYS, Star-Times, St. Louis, Washington Bureau, August 28-----
Dual-rate contracts for wholesale electricity are being used by power companies to prevent normal development of rural communities served by REA cooperatives, the Rural Electrification Administration charged today.

Under dual-rate contracts, the private companies offer relatively-low wholesale rates on power for distribution to farms and other small rural users. In return, they demand a higher rate for power to larger consumers, including most types of rural industrial plants. In a few instances, companies also are using dual rates to keep co-operatives from serving small towns.

These contracts, an REA spokesman told the Star-Times, make it "uneconomic to use electric power for agricultural processing in an age when civilization depends upon electricity."

Already about 150 dual-rate contracts are in effect in 13 states, including Missouri.....are spreading rapidly throughout the country. If the trend persists, REA warned, the economy of one-third of the people will be endangered.

"The power companies, by their failure to extend their lines, were content to keep the farms in the darkness of primitive days," the REA spokesman said. "Now, by dual rates, they are attempting to keep agricultural-processing industries in rural communities bound to inefficient power sources".....

Calling these dual rate agreements "shotgun contracts," the National Rural Electric Co-operative Association alleges they are "economic sanctions to limit the use of electricity."

"Being at the mercy of power companies for wholesale power," the association asserts, "cooperatives are forced by this device to pay higher rates for larger loads purchased. The economic principle of lowering costs through increased consumption is being reversed by the business-managed power companies--when the principle is invoked against Rural Electric Cooperatives and their members.

"These higher large-load rates are designed to discourage REA service for agricultural processing plants and other rural industries... restricting service to certain classes of eligible consumers hinders the co-op attempt to make electricity available at reasonable rates to all consumers on an area coverage basis.".....

PUBLIC POWER ADVOCATES WIN VICTORY IN IOWA, Bee, Sacramento, California, August 12-----For more than 17 years the hydroelectric power potentialities of the Cedar River in eastern Iowa have been known to government engineers and as long ago as 1929, were reported formally to congress.....10-year battle of the East Iowa Hydro-Electric Cooperative to win permission to develop the power for the benefit of the people of that area encountered endless opposition.....

United States Supreme Court, reversing lower tribunals, has upheld the jurisdiction of the Federal Power Commission in granting a permit for the project.

The question involved in the legal proceedings was whether the State of Iowa and her officials---unsympathetic to the public project--were the ones to decide whether a permit should be issued, or whether the licensing power rested with the Federal Power Commission.....

The importance of the supreme court's decision...paves the way for similar developments in the Middle West.

.....the project will cost \$14,600,000 and will produce 200,000,000 kilowatt hours of marketable electricity annually, the bulk of which will be available to non profit rural electrification cooperatives associations and to cities and towns in 35 or more nearby counties.....

REA REPORTS 9,154 MORE TAR HEELS GET ELECTRIC SERVICE IN PAST YEAR, News, Greensboro, N. C., August 21-----The number of North Carolina consumers receiving electric service from facilities financed by rural electrification administration loans increased by 9,154 during the fiscal year ended June 30.

This was the second largest one-year increase in the number of consumers served in REA history. The largest was in the fiscal year ended June 30, 1940, during which 10,103 were added to REA-financed lines in the Tar Heel state.

Of the consumers added to REA-financed facilities in the fiscal year just ended, about 90 per cent were farms and other rural consumers receiving electric power for the first time as a result of power line construction by rural electric cooperatives and public power districts.

The near-record increase was achieved despite persistent shortages of materials and labor, REA said.....

Opposed as "socialistic" at the outset, rural electrification administration has gradually won favorable consideration from some of those interests which fought it the hardest. Commercial power companies and their affiliated producers of raw materials for line construction have lessened their antagonism to REA in the past decade. The private power companies could not go into the rural areas at a profit commensurate with the investment necessary; therefore, they now concede that government has not invaded a field that should go to private enterprise.

Simultaneously, the producers of wire, poles, insulators, transformers, generators, and other materials necessary to operation of electric distribution systems, have found themselves with new markets which would not otherwise be available.....

(Similar articles in Raleigh and other North Carolina newspapers.)

90,000 REA CUSTOMERS, Atlanta Journal Bureau, Washington, August 24-----
...Nearly 90,000 Georgia rural homes are now connected to REA-financed electric lines, according to the Rural Electrification Administration of the Department of Agriculture.

This represents a gain during the 1946 fiscal year of 12,597 new rural customers. In addition, 136 new consumers were added through the acquisition of existing lines by state REA borrowers. This brings the total to 89,151 REA consumers in the state.

Only two other states--Texas and Tennessee--have more REA-served rural customers, the department reported. Texas has 128,505 and Tennessee 104,633.

In 1935, when REA was started, Georgia had less than 7,000 electrified farms in the state.....

INDIANA'S "ELECTRIC" FARMS, Star, Indianapolis, August 20----
Substantial increases in the total of electrified farms throughout Indiana during the last year have been reported by Claude R. Wickard, REA head. More than 7,000 farm homes were wired during last fiscal period. This brings to 85,025 the number of Indiana farm homes getting electric facilities from REA.

Indiana has a major interest in the electrification program, since its first test was made in a Hoosier county.

Progressive farmers are availing themselves of electricity in steadily increasing numbers, and the current, supplied also for larger areas by various utility companies, has gone far to transform rural life in state.

RURAL ELECTRIC CO-OP CONSTRUCTION NOT BARRED, Washington Correspondent of Post-Dispatch, St. Louis, Missouri, August 27-----Rural Electrification Administrator Claude Wickard has sent letters to all rural electric co-operatives explaining that President Truman's recent directive halting federal construction for a 60-day period does not apply to co-operative electric line-building programs.

REA officials had been puzzled by the White House directive which was issued last month by Reconversion Director John R. Steelman at the President's instruction. On its face, the order appeared to stop all further REA loans to co-operatives which would be used for any type of construction. Subsequently the President wrote a clarifying letter to Secretary of Agriculture Clinton P. Anderson, stating that the order should not be interpreted as applying to locally controlled co-operatives, insofar as line construction was concerned.

....
The REA, which has temporarily halted further loans to electric co-operatives pending amplification of the White House directive, has now resumed its loan program.

REA LENDS \$7 MILLION TO ELECTRIC COOPERATIVES, Wall Street Journal, August 26-----The Rural Electrification Administration has approved loans totaling \$7,123,000 to 21 rural electric cooperatives and one municipality to finance new facilities, including 4,650 miles of distribution lines.....

ELECTRIC WIRING SHORTAGE SNARLS HOUSING PROGRAM, Herald Tribune, New York, August 23-----By far the most serious effect of this year's copper strikes is just becoming apparent--long after their settlement-- in the partial paralysis of the nation's vitally-needed housing program, it was disclosed yesterday in the electrical industry. In Cleveland alone, trade spokesmen said, more than 3,500 new homes have been held up for lack of conduits, wiring and other materials.

Because of strikes, shortages and other difficulties, few if any electrical equipment manufacturers will be able to fulfill their anticipated 1946 production volume.....

Another blow to this country's rapidly expanding electrification program was disclosed by Russell J. Gingles, manager of the Farm Electrification Bureau of the National Electrical Manufacturers Association.....reported that an unparalleled shortage of wire and poles to string it on had developed within the recent past. The Rural Electrification Administration alone, he said, could use 2,300,000 poles-----which represents three times the total annual output of the industry before the war. Not only is there a shortage of timber, but of creosote, which is used to keep the finished pole from decaying.

An idea of the extent of the pole shortage can be deduced from the fact that the REA is handling an estimated 20 per cent of the rural electrification program, which, until the shortages developed, had been proceeding at a rate of 100,000 homes a month. The rest is being done by private utilities.

The copper and pole shortage may prevent suppliers of electricity from having their biggest year in history. Counting urban, semi-rural and rural installations, suppliers had hoped to carry electricity to 1,600,000 homes in 1946. The biggest previous year was 1924 when 1,500,000 homes were electrified.

STEEL SHORTAGES HIT APPLIANCE FIELD, New York Times, August 19-----...Electrical appliance manufacturers have run into the serious problem of finding steel to meet their needs. Manufacturers have not felt any "elbow room" in steel supplies, but the inventory picture did not become critical until last week.

With the added threat of further curtailments in steel output due to the strike on the Great Lakes, the problem has been taken out of the purchasing department level to over-all company policy boards.... A spokesman for one producer said, "We are almost on an emergency basis and material substitutions again are being considered seriously"....

CUIVRE ELECTRIC CO-OP DAMAGE BRINGS INQUIRY, Post Dispatch, St. Louis, August 30-----Sabotage of a generator providing electricity for the Cuivre River Electric Co-operative at Troy, Missouri, which is involved in a dispute with union electrical workers, and breakdown of a second generator owned by the co-operative were under investigation today by the Federal Bureau of Investigation.....

The cooperative halted construction of power lines early this month following a dispute with AFL Brotherhood of Electrical Workers.... union insisted that maintenance men, who are paid from 75 to 96 cents an hour, limit their construction work to three-pole extensions of existing lines, and that all other construction be handled by employees paid at the contractors' rate ranging from 90 cents to \$1.75 an hour.....

The FBI took jurisdiction in the case because the generating units...are mortgaged to the Federal Government.....

(Similar articles in other Missouri newspapers.)

44 REA CO-OPERATIVES FIGHT PRIVATE PROJECT AT CLARK'S HILL, Journal, Atlanta, Georgia, August 26-----Georgia's 44 REA co-operatives will launch an all-out fight against private power company development of the Clark's Hill hydroelectric project on the Savannah River, Walter Harrison, chairman of the Georgia Electric Membership Corporation, and member of the Georgia House of Representatives, said.....

The Savannah River Electric, a unit of the Georgia Power Company, offered to build Clark's Hill dam, after President Truman directed that the appropriation for rivers and harbors be reduced..The Clark's Hill development has the approval of Congress, but may be slowed by the spending moratorium.

"The power company is showing poor faith," Mr. Harrison charged. "They have waited until the psychological moment to try to muddy the waters. This thing already has the full approval of Congress, and an appropriation has been set up. The power company had a permit to do this work in 1932, but they didn't carry it out.

"We have seen the benefits of Federal Government power development in the Tennessee Valley Authority and Grand Coulee Dam and others. We know it means a tremendous reduction in rates to the consumers.

"This is a multiple-purpose project. It means conservation, flood control, navigation of the Savannah River, and power development. Navigation of the Savannah River will mean cheaper freight rates to the interior. This thing means a lot more than the private gain to be got from development of power resources."

Senator Burnet R. Maybank, of South Carolina, said....that he is definitely opposed to the step proposed by the Savannah River Electric----

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REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 16

September 19, 1946

REA TOPS AS RURAL AID, Lansing, Michigan, State Journal Washington Bureau, September 7-----More than one-third of the electrified farms in the United States now are receiving service from co-operative lines, made possible by the Rural Electrification Administration, according to Claude R. Wickard, administrator. Furthermore, he said, REA co-operatives are already operating in two-thirds of the counties throughout the country.

"REA co-ops," said Wickard, "have introduced a program which is filling a great unsatisfied need on the part of people on the farms. Central station electric service was developed in this country over half a century ago; yet as late as 1935 its benefits were confined almost wholly to the urban areas. In 1935 only one out of every 10 farms enjoyed electric service.....

"Then the Rural Electrification Administration was created by congress, and \$100,000,000 was made available for loans to electrical co-operatives. Now, at the end of 11 years, the co-ops are 900 in number. Almost without exception they are highly prosperous, and many have paid back their loans long before they fell due.....

"Electricity...not only helps the farmer to produce more efficiently, but it helps him to produce more and better commodities to meet consumer needs. Thus, rural electrification means more business on Main street and more demand for the products of mines and factories. Furthermore, small rural industries and farm processing plants follow electricity into rural areas and help stabilize the income of farm people....."

Wickard continued, "In the past 11 years, REA co-ops have borrowed and paid back to the government more than \$95,000,000 in interest and principal payments. Nearly \$20,000,000 of this \$95,000,000 has constituted payments in advance of due dates.".....

WICKARD TELLS COOPS UTILITIES BALK FARMERS, UP Dispatch in World-Telegram, New York, September 5-----Claude R. Wickard, chief of the Rural Electrification Administration, today accused private electric utilities with hampering extension of power to rural consumers.

Mr. Wickard, former Secretary of Agriculture, told delegates to the annual convention of the Illinois Association of Electric Co-operatives that utility industries had said they wanted to co-operate with the REA in providing light and power to farmers, but had failed to fulfill their assurances.

"It has been apparent all the time that private utilities have judged the need for electricity among farm people according to their experience in serving urban homes," he said. "They have failed to realize that the farm is a factory and needs electricity for efficient production the same as a modern city."

POWER ON THE FARMS, America, August 17-----The utility industry, encouraged by Rural Electrification Administration's success in bringing light to darkened rural areas, is showing great interest in farm electrification. The power companies have hopes of reaching America's three million unserved farms in the years ahead. The other three million farms are already served by REA cooperatives, by private power companies and by municipal systems. In itself, the interest of the private power companies is commendable. Their attitude toward the government-sponsored REA cooperatives, however, could stand improvement. What they seem to forget is that the REA, together with government--Federal, State or local--has an obligation of seeing that the unelectrified farms get power at reasonable rates and under fair terms. It cannot divide the unserved areas primarily on a "spoils" basis for purposes of exploiting potential revenues. Privately-owned power systems need the check of healthy competition to keep them in line. This can come only from cooperative and publicly-owned power services, whose primary concern is the public welfare, and not dividends. The power companies, which in various parts of the country still fight public power and cooperative competition, should begin to realize what lies ahead. It is not the REA and other non-profit power systems which are on probation, but the private utilities themselves. If they are wise, they will refrain from serving ultimatums on REA or anyone else.

CLOSED SHOP WAR SIZZLES IN NEBRASKA, Tribune, Minneapolis, Minnesota, September 1-----...Strike Perils REA. The International Brotherhood of Electrical Workers, A. F. of L. local union, has called a strike against a rural electrification district (REA) at Beatrice, because of the district's refusal to enter into a contract with the union covering wages, hours, and working conditions...The Beatrice REA is the largest in the state, serving 4,000 customers.

This is a test to see whether the unions can organize the Consumers Public Power District, which now owns the entire electric power industry in Nebraska.

The district had a strike two years ago that petered out. It was followed by passage of a legislative resolution (of no legal force or effect) declaring in favor of a state policy that public power districts, which are public subdivisions, shall recognize collective bargaining.....

SAND MOUNTAIN COOP UPS DEBT LIMIT TO EXTEND ELECTRIFICATION, Age-Herald, Birmingham, Alabama, September 8-----The helping hand of modern electricity was extended to 1800 new farm families by members of the Sand Mountain Electric Cooperative who voted to extend the Co-op's debt limit to \$4,000,000, and girded themselves against any possible future fight against the TVA or the REA.

Warning that there have been many attempts by selfish interests to kill the TVA and REA, Sen. Lister Hill promised he would fight unceasingly for rural electrification.....

Lauding the farm families represented for their untiring efforts during the period of emergency, Sen. Hill said that "no one class of people in the nation contributed more toward winning the war than did the farmers."

"I am happy to say," he continued, "that REA farms produced 60 per cent more food for war purposes than did non-electrified farms. Not only did you provide food for the Army, Navy and our allies, but you also provided such a quantity of food that the American people ate more during the war than at any time during peace."

"As your Senator, I shall never be satisfied until every farm home in Alabama has electricity."

(Similar articles in other Alabama and Tennessee newspapers.)

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REA PRESS DIGEST

A summary of press items pertinent to REA

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September 26, 1946

HAMSTRINGING REA, Star-Times, St. Louis, August 31-----Another answer to the double-talk in which private power company spokesmen engage when trying to block government-financed hydro-electric projects comes out in the complaint of the Rural Electrification Administration against the dual-rate policy which the companies use in wholesaling power to REA cooperatives.

Under dual-rate contracts, the cooperatives buying power from private companies are required to charge higher rates to sawmills, quarries and other rural industries than the rates charged small users. The result is that cooperatives are unable to develop fully the potential market of the areas they serve.

REA districts agree to dual-rate contracts for one reason: They must buy power from the private companies or do without. They are in no position to argue the point that an accepted rule of the electric industry is that rates go down as consumption goes up.

What REA authorities should do is assemble all possible data on these contracts and have them ready to lay before Congress the next time the power companies appear to fight a public power program with the argument that they already are in the field and doing their best to give the people all the electricity they want at lowest possible prices.

SURVEY FINDS MOST U.S. FARMS CONNECTED WITH ELECTRIC LINES, Herald Tribune, New York, September 15-----Estimates made from preliminary figures of the 1945 Census of Agriculture indicate that as of today about 4,100,000 farms, or three-quarters of all occupied farms in the country, are either connected with electric lines or within one-quarter of a mile from such lines, Grover C. Neff, president of Edison Electric Institute, disclosed yesterday.

These figures are in contrast with estimates made last June that only two-thirds of all farms were connected or within easy reach of existing lines, Mr. Neff said in an interview.

About 3,400,000 or five-eighths of the 5,550,000 occupied farms are now connected with electric companies serving about 60 per cent of the connected farms at retail, and through wholesale contracts supplying "a large part of the electric power used by the other 40 per cent," he said. Cooperatives serve at retail about 34 per cent of the connected farms and all other agencies about 6 per cent.

Building of lines into unserved territory should be practically completed by the end of 1948, Mr. Neff said, estimating that electric companies would extend service to about 600,000 farms in the three years, 1946 to 1948; that cooperatives would reach 600,000 farms, and other agencies about 40,000 farms in the same period.

The electric power industry is now turning its attention toward getting electric power efficiently applied to as many farm jobs as possible, Mr. Neff said.

To this end, the utilities and various farm organizations are working with state universities on numerous research projects, and with other groups in the electrical industry to find better ways of applying power to farm operations.

Referring to the invitations extended by the electric companies to the Rural Electrification Administration to join in a co-operative program of developing remaining farm markets, Mr. Neff said that "unless the two principal groups furnishing the service get together and make practical, sensible arrangements for reaching rural service, it will not be furnished in the most economical manner".....

REA OVER HALFWAY IN ELECTRIC PROGRAM, Democrat News, Lewistown, Montana, September 22-----The rural electrification administration and private power concerns have passed the halfway mark in extending electricity to the nation's farms.

Reporting this, the REA estimated that 52.9 percent of the farms are now hooked up with central station electric service.

The number said to have service was placed at 3,106,775 compared with only 743,000 or 10.9 percent when the REA was established 11 years ago.....

The REA had granted loans totaling \$817,086,000 up to June 30. Congress authorized it to make additional loans up to \$250,000,000 for the fiscal year ending next June 30.....

(Similar articles appeared in many other Sunday newspapers throughout the country.)

DRAIN ON POWER, Business Week, September 14-----Add electric power to the list of possible shortages which conceivably may harass industry--- and domestic customers-----in the months ahead.

With the approach of fall and winter, as shorter days require more electricity for lighting, and as industry increases its demand, generating stations will be called upon for more and more power. Distribution systems, too, will be taxed to meet increased requirements of new businesses, new housing, and expanded rural electrification.....

With the end of the war, the utilities geared their sales promotion to "Lights on," strove hard to unsell electricity conservation. Now they're beginning to wonder if their efforts to build up a nonindustrial load to offset the anticipated postwar

drop in industrial load hasn't succeeded too well-----or at least too quickly.....power may be scarcer than at any time during the war. Power demand is rising rapidly, the result of both an increasing number of customers and greater consumption per customer.....

Utilities are adding power generating and distributing capacity much more slowly than they would like. Equipment and materials shortages have hampered them;.....

Claude Wickard, head of the Rural Electrification Administration, is frank to admit the seriousness of the situation. Last week he reported that 432 of 835 energized REA-financed systems are unable to supply all the power needed by present consumers. Major trouble, he said, is that rural people are using more power than the distribution systems were designed to carry. Improperly located substations, and inadequate transmission systems and generating facilities were cited as other causes of unsatisfactory service.

Wickard was talking about Rural Electrification Administration power co-ops. But his remarks apply as well to a good many private and public utility systems, as the customers in many a smaller urban, suburban, and rural region may come to find, to their sorrow, in the months that are to come.

CENTRAL NEBRASKA MUST PAY ANNUAL CHARGES TO FPC, Public Power, September----

The Central Nebraska Public Power and Irrigation District's application for exemption from payment of annual charges for the calendar years 1942 and 1943, due under its license for a hydroelectric power project in Nebraska on the Platte and North Platte Rivers, has been denied in a Federal Power Commission order made public last month. The Commission's action reaffirms its orders of February 15, 1944, and August 15, 1944.....

The licensee based its application for exemption on the grounds that all of the power generated by Project No. 1417 was sold to the public without profit and that a portion of the power was used for state and municipal purposes. Central Nebraska contended also that under the laws of Nebraska municipal power plants cannot make a profit.

Denial of the application for reversal of the previous FPC orders was on evidence which shows that during the calendar years 1942 and 1943, the licensee earned net incomes of \$106,320 and \$263,906, respectively, by sales of power to other parties for resale, and the licensee has not satisfactorily shown that such resales were to the public without profit.

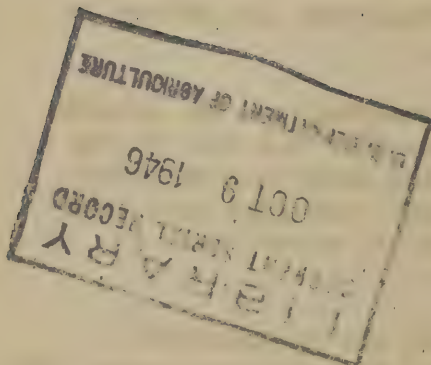
RURAL ELECTRIC PROGRESS PRAISED, Free Press, Burlington, Vermont, September 11-----Vermont corporate utilities, municipals and cooperatives were praised for progress made in rural electrification by Fletcher D. Plumley, Vermont Public Service Commissioner, in a speech before the American Society of Agricultural Engineers.....

"More than 85 per cent of the farms in Vermont now have electric service available to them. Though faced with shortages of materials much of the time, we have nevertheless seen continued progress made toward the goal set some 20 months ago," Plumley said.

"In January of 1945 our commission set as an objective 'at least 93 per cent of all farms in Vermont to have electricity made available to them.'".....

"Many counties have already exceeded 90 per cent farm coverage, and considerable work is now being concentrated in those areas less generally served," Plumley continued.

"In terms of Vermont farms with electricity now available to them, reports have reflected a total which has leaped from 16,340 in January, 1945, to more than 18,200 today, an average of about 100 farms a month".....



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REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 18

October 3, 1946

RURAL UTILITY ROW FLARES, Business Week, September 7-----The contest between the Rural Electrification Administration and private utilities for the rural power market, limited largely to political jockeying and minor forays during the period of the war, has now broken out again with renewed vigor.

In the first seven months of 1946, REA-backed cooperatives added 100,000 farm customers, the private utilities 175,000, and the two groups are aiming at a combined goal of 450,000 for the year.

During the frenzied line-building activity of 1940 and 1941, electric power was extended to an increasing number of farms. The natural result was that states with the least electrification have shown the greatest percentage gains during the five years ended 1945, even though wartime restrictions limited extensions to those lines which could serve a relatively large number of farms with minimum use of materials.

... Through the war years REA tried to have enacted by Congress---over private utilities' opposition---a bill which would: (1) authorize it to lend \$550,000,000 over three postwar years, and (2) permit REA to spend, on a nonreimbursable basis, \$5,000,000 yearly in order to see to it that power distributing systems were planned properly from the very beginning.

The first provision would remove REA from the vagaries of year-to-year loan authorizations; the second would help further REA's area-coverage principle---service to all farms in an area rather than simply to those on which the service eventually would pay out. (Private companies, for obvious reasons, have not adopted area coverage too widely.)

REA got half a loaf, with a little butter added. It received the \$550,000,000, with authority to use it in two years (fiscal 1946 and 1947) instead of three.

With this money in hand, REA has been pushing its program aggressively. It has endeavored to beat the materials shortage problem with such devices as lowered standards for scarce wood poles

and pole preservatives, has financed the purchase of a Texas pole-treating plant, induced co-ops to expand order-pooling so as to save money and enable them to swing more weight with big suppliers, instituted a policy of not considering bids that are made by any contractors who are simultaneously doing work for private power companies in competitive areas.

Despite all these measures, costs of building distribution systems have risen---from perhaps \$750 a mile before the war to at least \$1100 today.....

In the fiscal year 1946 REA connected 261,000 customers with 50,765 miles of line. Of these 230,000 were previously without electricity; the rest represent acquisition of existing systems and refinancing of some co-ops.....

GREATER USE OF ELECTRICITY ON FARMS HELPS TO LOWER RATES, Free Press, Burlington, Vermont. September 19-----Another Vermont electric company has lowered its rates, it was announced today by Commissioner of Public Service, Fletcher D. Plumley.....

To date the aggregate of electric bill savings effected by lowered rates totals more than \$507,000. "...is the largest saving to users of electricity in Vermont during any two years of the commission's history," he said.

"These rate reductions have been made possible primarily because of the tremendous expansion of use of electricity on farms," Plumley pointed out.

One Vermont electric corporation has set a consumption goal for farms at 6,000 kilowatt hours per year, Plumley said, but some farms are already using from 20,000 to 30,000 k.w.h. or more annually..... the increased use of electricity per farm has made the extension of rural lines profitable.

Rural Electrification Administration power companies have served areas which private companies in the main found unprofitable, Plumley stated. By doing so, they have spurred on private companies to expand their facilities.

As to rates, however, there is a general misconception, Plymley stated that those charged by the REA co-operatives are the lowest in the state.....

N. C. LAGGING BEHIND COUNTRY AS WHOLE IN FARM ELECTRIFICATION, Citizen-Times, Asheville, N. C., September 22-----Despite some 125,000 "electrified" farms, North Carolina lags behind the nation as a whole, statistically speaking, in the rural electrification picture. However, it is substantially ahead of all its neighboring states except South Carolina,

and is even well ahead of that state in the actual number of farm homes receiving central station electric service.

The relative position of the Tar Heel state was revealed today when the Department of Agriculture released figures indicating farm electrification has passed the half-way mark in the United States. Rural Electrification Administration's 1946 estimate of unelectrified farms indicates, on the basis of preliminary 1945 Census of Agricultural figures, that 52.9 per cent of the nation's farms now have central station electric service.

A state-by state breakdown shows 161,441 N. C. farms without central station service as of July 1, 1946, or 56.2 per cent of the state's farms---leaving 43.8 per cent in the electrified category.....

On the basis of this estimate, REA Administrator Claude R. Wickard has allotted to the states \$125,000,000 in REA loan funds, half of REA's loan fund for the 1947 fiscal year. Under the basic rural electrification act, half the agency's annual loan fund must be made available to borrowers in each state in proportion to the number of unelectrified farms in the individual state and nation..... North Carolina's allotment for loans during fiscal 1947 amounts to \$7,285,361.....

UTILITY MAN CLAIMS 'SMEAR' BY COOP MEN, Capital Times, Madison, Wisconsin, September 19---B. E. Miller, Madison, president of the Wisconsin Utilities association, and secretary of the Wisconsin Power and Light Co., charged some leaders of the National Rural Electric Co-operative association with the use of "smear tactics" to create the public impression that private utilities are not extending electric lines to farmers.....

"Some REA leaders are attempting to use the co-operatives as a means to socialize rural electrification," Miller said. "Such efforts seem to be designed first to arouse prejudice among farmers against companies by "smear tactics".....

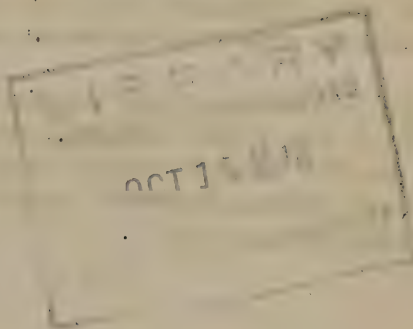
Referring to a recent newspaper editorial which charged that the utilities-financed experimentation work was a means of subsidizing the university, Miller declared: "Since the association's contribution to the University of Wisconsin for experimental work on the farm purchased for experimental uses was mentioned in an alluring editorial, I answered it with the statement that its charge that utilities were again subsidizing universities were absolutely without foundation."

Miller stated that Wisconsin electric companies now serve approximately 97,000 of the total 148,500 rural customers. He said co-operatives serve 44,000 and municipal utilities 7,500. Approximately 20,000 more farms are within reach of existing lines and can be served when materials are available.....

MONTANA UTILITY POLES OUTPUT AT SEASON PEAK, Democrat-News, Lewiston, Montana, September 18---(AP Dispatch from Missoula, Montana.)-----
Production of rough utility poles in Montana is at seasonal peak, with about 3,000 being turned out daily, a Rural Electrification Administration spokesman said today.....

Pole production has been increasing from week to week, and the Montana output is helping to supply a national demand by co-operative groups for half a million poles monthly.

Meanwhile, Forest Service headquarters announced that a contract had been awarded the Montana coal and treating plant of Butte to process material from an area near Butte which has a volume of 30,000 lodgepole utility poles.....



REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 19

October 10, 1946

HITS HIGH N. E. POWER RATES, Union, Manchester, N. H., September 25-----
Claude R. Wickard, administrator of the Rural Electrification Administration, again criticized high power rates in New England, during a visit at the headquarters of the New Hampshire Cooperative, Inc., as he neared the end of his tour of the New England states.

Reiterating many of the statements he made at a meeting in Barre, Vermont, Mr. Wickard declared that the proposed Great Lakes-St. Lawrence seaway and power project could furnish all New England with power at "just one-fifth the average rate now being paid by the REA co-ops in New England."

He added that a Federal Power Commission report disclosed that St. Lawrence power could be delivered to Burlington, Vermont, at 1.73 mills a kilowatt hour, and said that all of New England could be furnished with power at an average rate of 2.2 mills per kilowatt hour.

Mr. Wickard further stated that New England cooperatives are paying up to five times the rates being paid for power from the Bonneville dam in the Pacific Northwest and declared:

"I wonder how long the power companies will be able to fool any considerable number of sensible New Englanders with their explanation that taxes paid by utilities are the reason for this wide difference in rates? In other sections of the country electric power rates have been brought down wherever power installations have been made at dams built by agencies of the federal government.....this kind of hydro-electric program has been kept out of New England".....

Mr. Wickard also expressed pleasure and satisfaction with the advancement that REA made in this state and predicted great success for it in the future.....

(Similar articles in several other New England newspapers.)

MORE OF BOTH, Editorial in Tennessean, Nashville, Tennessee, September 24----
Eleven years ago 743,000 American farms were served by electric power lines. Today the number of farms which have such service is 3,106,755. It is not a coincidence that this eleven-year period, which has seen farm electrification jump from 10.9 per cent to 52.9 per cent marks the lifetime of the Rural Electrification Administration.

The REA, of course, has not been directly responsible for extending electricity to all of these farms. Private power companies, the TVA, and the Interior Department's public power projects have played important roles. But back of the renewed activity of private companies in rural electrification has been the challenge of REA. Though some rural areas have been made victims of spite lines erected by private companies to block out REA, farmers as a whole have profited from the pressure put on these companies by public power.

The extension of electricity to more than half of the nation's farms and the investment of \$817,086,000 of REA funds in rural cooperatives drive home the lesson that the increase in socialism does not mean that individual enterprise must decline. Instead, they point out the trend in this country toward a great deal more of both.

The march of rural electrification since 1935 has planted hundreds of thousands of new private businesses in its wake and given new business to established concerns. Additional encouragement is found in what the next eleven years will bring forth in added business from farms yet to be electrified.

RURAL ELECTRIFICATION, Editorial News, Greenville, S. C., September 23-----
.....REA has granted in excess of \$817,000,000 in long-term loans to rural power cooperatives for rural electrification. But the private companies have done nearly two-thirds of the total amount of work in furnishing electric energy to about 2,400,000 additional farms since 1935.

The important thing from the farmers' standpoint is that they get current to enable them to keep up with the fast-moving developments in modern farming.

Some are convinced that REA should have the inside track in promoting rural electrification, and others are as firmly in favor of seeing the work done by privately owned companies employing private funds.

But it seems that the work is getting along well under the whiplash of competition.....they should accomplish the most pressing part of the remainder of the job within another decade if they are not deterred by unforeseen emergencies.

POWER 'LOAD' STRAINS PLANTS, Des Moines Register, Des Moines, Iowa, September 29---.....164 electric plants in the state have a capacity of more than a million horsepower.....but it isn't enough to meet the demand for electric current and still have needed reserve capacity on hand.

The demand for industrial and commercial power which built up during the war hasn't tapered off as anticipated. In fact there are additional industrial needs coming up.....and domestic-----home-----consumption of electricity continues to mount.....

Probably the biggest gain is in country districts where the rural electrification administration (REA) has taken a leading part in extending transmission lines and supplying power to farm users.

Iowa farm users of electricity grew from 32,000 in 1936 to 155,000 by June 30, 1946. In the 12 months ending that day REA cooperatives hooked up 12,000 new customers.

Claude R. Wickard, REA Administrator, recently told a meeting of Iowa rural electric cooperatives, that....."immediate steps" must be taken "to meet the ever-increasing demand on the part of rural consumers for more energy" and that "the extension of rural lines is being jeopardized and in some cases actually halted because of the shortage of transmission (electric line) capacity."

On the other hand, some REA officials say, transmission lines already built are standing "cold" because power can't be purchased to send over them.....

Of the 164 generating stations in Iowa, 74 are owned and operated by 23 private utility systems and 85 by municipal systems. Five are owned and operated by REA cooperatives.

There are a total of 51 cooperatives. Those which don't have their own generating systems buy power from municipal plants and private utilities. Statistics show that the cooperatives buy more power from privately-owned plants than they get from their five generating stations and municipal plants together.

Many municipal plants have refused to take on REA consumers because they don't have the extra capacity and don't want to install it for such outlets.....

DAMS TO HELP OZARK RESORTS, Leader and Press, Springfield, Missouri, September 26-----W. R. Kavanaugh of the Southwestern Power Administration, Tulsa, told Missouri REA officials today great developments were in store for the Ozark region of Arkansas and Missouri if public power exponents win their fight with private utilities.

"The Ozark resorts are nothing today to what they will be in five or ten years," he said at the fall meeting of the State Rural Electrification Association.

He predicted....."the recreational benefits will amount to millions and millions of dollars every year".....

UNQUALIFIED SUCCESS OF REA STRIDES CITED, Times-Dispatch, Richmond, Virginia, September 24-----Urging further extension of rural electrification, Representative A. Willis Robertson last night listed social and financial benefits of the government's Rural Electrification Administration program to the farmer.....

Despite the progress in rural electrification since 1935 more than 130,000 homes in Virginia still lack electrical power, and a "huge job remains ahead," Mr. Robertson continued.....

ELECTRIFICATION OF RURAL AREA--See September Newscip--news-picture magazine, page 19.

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U. S. DEPARTMENT OF AGRICULTURE

REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 20

October 17, 1946

RURAL HIGHLINE TO JOBS, Claude R. Wickard, Pic Magazine, October -----

For young men of vision possessed with enterprise and initiative, rural America is still a land rich in opportunity, one of the most fertile fields for jobs and new business ventures now in prospect for the post-war era.

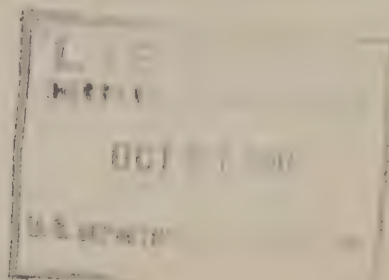
Looking ahead five years, an REA study indicates that, spurred by the government lending program, rural electrification will create an overall market of \$5,568,000,000 for labor, materials and services. This total would cover costs of construction of new power lines and improvements to existing systems by both REA borrowers and privately-financed companies, and expenditures by rural people for electrical equipment and appliances and for wiring their homes and farms and installing plumbing systems.....

Such a program would require 2,784,000 man-years of labor and would provide employment for miners, factory workers, contractors, plumbers, electricians, office workers, salesman and repairmen.....

The question most commonly asked us by men in the service....is: "Where are REA lines to be built?" They are being built or have been projected as extensions of operating rural power systems consisting of more than 475,000 miles of REA-financed distribution lines in 46 states, and as new networks in scores of communities in which our borrowers were unable to get their programs under way before Pearl Harbor. In other sections of the country, new cooperatives are being formed to serve communities not within reach of established borrowers. Except in parts of New England and California, every section of the country will participate in REA's post-war program.....

REA has helped its borrowers work out plans for complete area coverage. The needs of the entire rural population are being considered in these plans.....

The biggest factor in the financial success of the REA program is the contribution made by electric service to the economic improvement of the farm family and the rural community...in addition, electrification opens opportunities for new kinds of business in rural communities.



Within the past six or eight years, hundreds of small industries have been established along rural electric power lines---woodworking plants, cheese factories, canneries, creameries, machine shops, hatcheries, feed mills, limestone-crushing plants and scores of other types of business enterprises.....Development in the field of rural industry has just begun. Industries geared to rural production and rural markets have not yet scratched the surface.

MEMBERSHIP OF REA RUNS INTO MILLIONS, Herald, Lexington, Kentucky, October 7---- Washington---"REA coops are new and fast growing members of the cooperative family" said Rural Electrification Administrator Wickard..."Starting eleven years ago, they now number nearly 900 and have a total of a million and a half members. We estimate that within the next two years the number will increase to 1100 with a membership of 2,300,000.

"More than one-third of the electrified farms of this nation are receiving service from co-op lines. Equally significant is the fact that REA coops are already operating in two-thirds of the counties of this country".....

REA DUPLICATION SHARPLY ATTACKED, Times, New York, October 7-----Aiming directly at the Rural Electrification Administration, Grover C. Neff, president of the Edison Electric Institute, trade association of the utility industry, asserted yesterday that the use of Federal funds for the building of generating plants and major transmission lines which duplicate existing systems will be made "indefensible" by the industry's vigorous drive to complete the task of building rural extension lines by 1948.....

...The institute president's statement was the industry's reply to several charges by Claude R. Wickard, head of the REA, during the past few months, that the private power companies sought only to serve the more profitable farm areas and leave the outlying rural areas for the Government agency.....

Both the REA and the industry are actively pursuing programs for the electrification of most of the remaining 3,000,000 farms throughout the country---half of the total farms. However, after declaring that 4,100,000 farms are now either connected to power lines or within a quarter mile of such lines, Mr. Neff declared that before 1948 private companies expect to connect an additional 600,000 of them, cooperative electric groups the same amount "and other agencies about 40,000".....

Mr. Neff concluded his remarks by stating that the industry's "interest in the matter is indicated by the fact that electric operating companies serve at retail about 60 per cent of the connected farms and through wholesale contracts supply a large part of the power used by the other 40 per cent."

(Similar articles in Herald Tribune; and N.Y. Journal of Commerce).

PRIVATE UTILITIES WIN IN THE PUBLIC SERVICE COMMISSION, Capital Times,
Madison, Wisconsin, October 2-----The Wisconsin Public Service Commission
has refused to approve the application of the Badger Electric Cooperative
to purchase and operate the properties of the Wisconsin Hydro Electric
Company in Northwestern Wisconsin.....

Badger Electric is composed of several REA coops. It proposed to
purchase the Hydro property with funds lent to it by the national REA
administration. Despite the fact that the ordinary risks of capital
investment were not involved in this transaction, the majority of the
commission refused to approve the acquisition on the grounds that the
purchase price was too high for the value of the property.....

The Capital Times exposed the fact that the opposition to this
proposal was instigated by known private utility agents and their
attorneys in the area in which Hydro Electric operates. We exposed
the fact that the Northern States Power Company had also bid on the
Hydro property but had been outbid by the coop and that agents of
Northern States were taking a prominent part in the hearing.....

The Capital Times predicts that this will go down as one of the
first big cases in the come-back trail of the utilities in this state
unless the people themselves take measures necessary to protect
themselves against another era of.....plundering by private utility
interests such as followed the last war.

(Similar articles in several Wisconsin newspapers including the
Milwaukee Journal.)

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REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 21

November 22, 1946

POWER TRUST CONSPIRACY CHARGED TO BEAT CO-OP, Dispatch, St. Paul, Minnesota, October 23-----A huge power-trust lobby in Washington was linked up with the National Tax Equality association in an alleged drive to knock out the cooperative rural electrification program in accusations made by Clyde T. Ellis, general manager of the National Rural Cooperative association, in a speech to the tri-state meeting of REA co-op leaders in Fargo, North Dakota.

Ellis charged that the power companies are back of and helping to finance the NTEA led by.....members of the Minneapolis grain trade. "The NTEA drive is aimed to cripple all cooperatives by taxing away the savings to members that are the heart of their program," he said.....

Then came fights with the power lobby over the new REA appropriations bill, a national advertising campaign which Ellis said is intended "to discredit us in the eyes of the public, and finally a hook-up of the power trust with the National Tax Equality association.".....

(Similar articles in several other midwest newspapers.)

A NEW RURAL ERA, Alfred D. Stedman, in Pioneer Press, St. Paul, Minnesota, October 27-----On the wings of electricity, a swift evolution in country living is dawning in the Northwest. That evolution is going to result from electrification of the Northwest's farms at a rate seldom if ever equalled elsewhere.....

The evolution is going to come with amazing speed in the Northwest because here it has been delayed so long.

In 20 years, while electrification of farms was growing elsewhere, it lagged in the Northwest. In the nation, the number of farms receiving power over transmission lines from central stations jumped ten fold between 1925 and 1945.....

In the Northwest, farm electrification lagged far behind the national gain. On July 1, 1945, North Dakota stood at the bottom of the list of states with only 9 per cent of her farms receiving transmitted power, while South Dakota stood at the bottom of the list of states with only 9 per cent of her farms receiving transmitted power, while South Dakota was next to the bottom with only 12.1 per cent. Even Minnesota, with 48.9 per cent, was outranked by all of the northern tier of states lying to the east.....

Even though the figures only hint of the real story, they show that the evolution is under way today and running strong. The percentage of farms receiving transmitted power has risen in the past year to 10.4 per cent in North Dakota, 13.5 per cent in South Dakota, and 55.7 per cent in Minnesota. That is just the tip-off of what lies ahead.

The confirmation comes with programs of the rural electric cooperatives of the three states....Expansion of present services of private power companies will be in addition.....Minnesota cooperatives have been allocated more than 60 million dollars.....North Dakota 17 millions.... and South Dakota 12 millions.....

REA GAINS RAPIDLY DESPITE SHORTAGES, The Oregon Farmer, October 17-----
Electrification of rural areas in Oregon, Washington and Idaho is going ahead at the fastest pace in rural electrification administration history, according to REA officials. This rapid electrifying of farms is being attained despite a shortage of materials brought about by the war.

At present REA borrowers in the three states are operating 12,887 miles of rural distribution lines serving 34,694 farms and other rural establishments. When facilities are constructed with the \$9,683,777 now available, service will be extended to 12,000 additional customers.....

..... In addition to carrying out their current construction programs, many of the REA borrowers in the three states are now engaged in ultimate system engineering studies, on the basis of which they will design lines to reach all of the unelectrified farms in their respective areas..... there are more than 22,000 unelectrified farms in Idaho, Oregon and Washington.

SPARK THAT LIGHTS A HOUSEWIFE'S EYE, Editorial, Oregon Journal, Portland Oregon, October 10-----It is difficult for some persons who have lived always with electricity to understand the thrill that thousands feel at reading the news: "Since the German surrender, the federal government, through the Rural Electrification Administration, has loaned more than \$27 million to extend electric power facilities to Western farm and ranch areas."

Even yet thousands of farm homes are lighted by kerosene lamps. Water is heated by coils in the cook stove, winter and summer. Ironing is done with flat irons heated on top of the stove. Many American housewives still "sweat over a hot stove all day."

To almost 11,000 families in the 11 Western states, electricity in the home became a reality during 1945. The appropriation is expected to give service to 35,000. Thus, the high standard of living that most Americans enjoy is extended to increasing numbers in the U.S.A.

NORTHWEST ASKS KRUG FOR POWER, Oregonian, Portland, Oregon, October 12-----
The Northwest needs more power and more facilities to distribute power-- and quickly---private and public power distributors told Secretary of Interior J. A. Krug.

He called for rapid development of the entire Columbia river power system "to get more power to the people" and to provide an adequate reserve for development of the region.....

Krug, declaring he has long been convinced that it would be difficult to get "too much power" in the Northwest, said he was "on the team" of the power distributors, but warned them that they must show unanimity to gain desired increased appropriations for the Northwest power development program from congress.....

To meet the urgent demands of areas now suffering from power shortages, Krug indicated, stepping up of facilities may be possible in the face of President Truman's cutback order on public works.....

Managers of rural cooperatives and public utility districts told how use of power on farms has increased phenomenally. Several said that the demand of their facilities was 100 per cent beyond anticipation.....

DAIRYLAND POWER COOPERATIVE PLANNING \$8 MILLION PROGRAM, Tribune, LaCrosse, Wisconsin, November 1---Expansion plans of the Dairyland Power Cooperative, LaCrosse, for 1947 involve approximately \$8 million...This will follow a program growth of \$7 million in 1946.

October 29 saw a million dollar plant begin operations for the first time at Baldwin, Wisconsin, as one part of the year's activities.....

According to a recent report by the Federal Power Commission, there is a critical power shortage in this portion of the Mississippi valley region. The Baldwin plant will tend to alleviate the situation as far as the farmers are concerned.

In addition to the recently constructed plant at Baldwin, Dairyland is building another and larger one at Alma....Dairyland now serves farmers in Minnesota, Iowa and Wisconsin, and early next summer, power also will be delivered to Illinois farmers.....

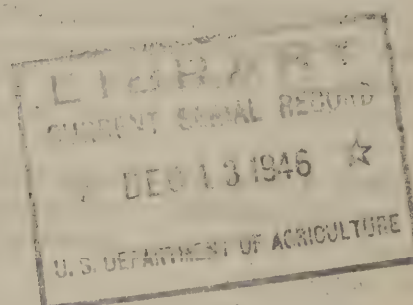
TELEPHONE, POWER FIRMS TO OFFER JOINT SERVICE, Wall St. Journal, New York City, October 24--Subsidiary operating companies of the American Telephone & Telegraph Co. system are preparing to inaugurate rural telephone service over electric power lines in six states.

Five system companies will participate in the installation, together with two independent telephone companies, four rural power systems financed by the Rural Electrification Administration and three electric power companies.

The installation will cover areas served by telephone central offices in Manakin, Va.; N. C.; Aiken, S. C.; Italy and Lamesa, Texas; Oak Creek, Colo.; and Cle Elum, Washington.

The new method of telephonic communication calls for simultaneous transmission of electric power and telephone conversation over power lines. It is accomplished by use of high-frequency currents which "carry" the telephone conversation and which are routed off the power lines at designated points through utilization of carrier couplers. These couplers allow the high frequency currents to leave the power lines, but do not permit the power itself to pass.

(Similar articles in Journal of Commerce, Chicago.)



REA PRESS DIGEST

A summary of press items pertinent to REA

Vol. IV, No. 22

December 12, 1946

NEW ERA IN FARM LIVING, New York Times Editorial, November 25-----The news that more than 52 per cent of the country's 6,437,000 farms now have electricity is an encouraging sign of a new era in rural areas. In a nation approximately 80 per cent urban it has been easy to overlook the fact that farms have lagged far behind cities and towns in the comforts of living that city dwellers take for granted.

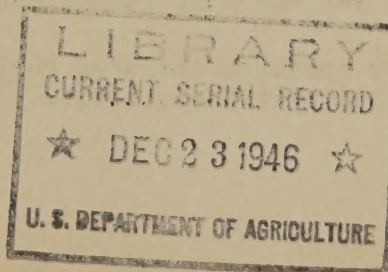
A survey by the United States Department of Agriculture shows that as of 1940, 31.3 per cent of farms had electricity; 17.7 running water; 44.1 mechanical refrigerators; 60.9 bathtubs and 25 per cent telephones. A summary in the National Grange Monthly of April, 1946, states that 5,176,000 farm homes lack modern bath facilities, as contrasted with 1,261,000 that have them. In the approximate decade between 1935 and 1946 the percentage of farms electrified has grown from 10.9 to 52.9.

Both the private utilities and the Government-sponsored Rural Electrification Administration are starting widespread expansion programs to extend power lines along rural roads still unserved. Frank E. Watts, director of the Rural Electric Information Exchange, a fact-finding organization formed by private companies, has reported that farm families will probably spend \$500,000,000 for various kinds of electrical equipment by the end of 1948.

Above and beyond the economic benefits to both farmers and utilities in the expansion of service is the fact that electricity is the king-pin of satisfying modern rural life. Electric motors mean.....saving of much time in doing farm chores and household tasks....will make farm life more attractive to young people. Electricity is one of the foundations of a strong rural economy.

(Similar editorial in the Washington Star, December 9, 1946)

POWER, OIL FIGHT ON FOR RURAL AMERICA, New York Times, November 27-----A battle-royal for a potential \$5,000,000,000 small town-rural market in electrical appliances and equipment, and millions of dollars in annual revenue from electric service, is now getting under way.....



Lining up in the inter-industry struggle on the one hand are electrical appliance manufacturers, wholesalers and public utilities, while on the other are large oil producers and dealers in gas.....

The campaign is on now to unite the electrical industry in a coordinated drive for greater utilization of electricity in the 14,000,000 homes making up the rural-small town market. The campaign, featuring the mailing of plan books and comprehensive promotional material to 600 public utility executives, 950 REA managers, 1,000 wholesalers and 500 electrical manufacturers, was described as the result of a year's study and consultation. Initiated and distributed by National Electrical Manufacturers Association, the program has been developed in close collaboration with Edison Electric Institute, and with officials and field personnel of the REA. The campaign will continue for a year.....

Two courses of action are suggested in the plan book---consumer education and sales training. Three statements are emphasized...."only electricity can do all the jobs, electricity can do all the jobs better, and electricity alone does the jobs more economically." The farmer is both a "home" and an "industrial" buyer of electricity, and "it is more economical for him to go 'all electric' and thus obtain lower rate brackets for cooking, water heating and other applications.".....

At the end of last year there were 3,020,000 farms using electric service, while another 900,000 were within one-quarter mile of existing lines. It is planned to connect 1,240,000 more farms in 1946, 1947 and 1948.

R.E.A. DELEGATES AT CONFAB HERE, Spokesman-Review, October 29-----During the last year the number of farms which have received electricity through the REA-financed farm electrification program passed the program's half-way mark, Clyde T. Ellis, executive secretary of the National Rural Electrification Cooperative Association, said at the association's regional convention.

"The farms yet to be connected are more difficult to reach, and as long as the country expands in population, there will be more and more farms to electrify," he said. "The growing systems will have to be redesigned and rebuilt continually, and new generation and transmission problems met. Furthermore, our opposition has become better organized, more vicious and more effective, and likely will give us ever-increasing trouble."

"Once more we are running out of money," Mr. Ellis said. "REA already is having to cut down loan requests from many states....We will need \$100,000,000 deficiency loan authorization by March, and \$250,000,000 more for the next fiscal year.".....

Other speakers included Carl Hamilton of Washington, D. C., Assistant REA Administrator.....

RURAL ELECTRICITY TO PLAY VITAL ROLE, Observer, Charlotte, North Carolina, November 26-----The greatest economic hope for the South lies in the development of rural industries, and rural electrification will play a vital role in this program, J. Melville Broughton, former governor of North Carolina, stated at a National Rural Electric Cooperative Association meeting here.

These small, community-supported industries will provide an economic nucleus for rural areas and help pave the way for a more prosperous South.....Mr. Broughton emphasized that rural electrification will also play an important part in North Carolina's good-health program..... will supply the needed power for small rural hospitals, will help to relieve the drudgery of farm workers, and in many other ways promote the health program.....

REA FORESEES SHARP GAIN IN RURAL POWER, Tribune, Tulsa, Oklahoma, November 14---- An increase of more than 30 per cent in number of Oklahoma farms served with electric energy by Rural Electrification Administration cooperatives-- an increase from the present 48,000 farms to more than 60,000---was predicted today by REA managers in the state.

The managers pointed out that more electric energy is needed in rural areas and that the tremendous growth of use of power on farms in causing a sharp change in the economic views of the southwest.

The need for power, they said, is prompted by two outstanding facts: the number of electrified farms in the state has soared from 5600 to 48,000 in 11 years; the huge increase in the use of electrical equipment on the average farm.

REA statistics show that in the last five years the amount of power distributed by cooperatives to Oklahoma farmers has increased four times--- although the number of consumers served increased only two and a half times. The increase also occurred during the war years, when electrical equipment was scarce. With the return of such equipment to the market, demand for power probably will soar.....

Eventually, the coops expect to see service extended to virtually all of the 119,000 Oklahoma farms that still lack electricity, and perhaps to as many more non-farm rural residents.....

The program will be carried out by the 23 REA systems now operating in the state, but new cooperatives will make substantial contributions.... Backing up the cooperatives themselves in the government's Southwestern Power Administration, which is expanding its own program to meet the increased power demand. The SPA has jurisdiction over power generated at federal hydro-electric projects in Oklahoma, Arkansas, Texas, Louisiana, Missouri and southeastern Kansas.....

Once all the government dams and their hydro-electric plants are completed and tied into the proposed power grid, which in turn will be linked to transmission facilities of private utilities, the SPA will be in a position to meet any demands the REA might originate.

ELECTRIFICATION PLANNED FOR 150,000 FARMS IN UNITED KINGDOM, Age-Herald, Birmingham, Alabama, November 30-----Advocates of rural electrification have developed a plan for providing electric service to 150,000 farms in the United Kingdom-----about all not already served-----within the next five years. The cost has been estimated at about \$290,000,000 of which about 65 per cent is to be borne by private power companies and the remainder by the farmers.

Relatively few farms are electrified in the United Kingdom, which includes England, considering the compactness of the country and the closeness of most farm areas to large cities.

The proposed rural electrification program is the outgrowth of the work on a liaison committee established two years ago by the Power Companies Association and the National Farmers Union, Britain's foremost farm organization.....The plan does not involve financial aid from the British government.....